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DEPARTMENT OF OVERSEAS TRADE.

REPORT
ON THE
ECONOMIC AND FINANCIAL
SITUATION
OF
PALESTINE

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MR. K. W. STEAD.

Director of Customs, Excise and Trade.



LONDON:

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:

Aldershot House, Kingsway, London, W.C. 2; 120, George Street, Edinburgh;

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DEPARTMENT OF OVERSEAS TRADE.

COMMERCIAL REPRESENTATION ABROAD.

To foster British overseas trade, the Department has developed and controls the following services of Commercial Intelligence Officers :—

1. IN THE EMPIRE.

The Trade Commissioner and Imperial Trade Correspondent Services.

At the present time there are 13 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg) ; two in South Africa (Johannesburg, Cape Town) ; two in Australia (Melbourne, Sydney) ; two in India (Calcutta and Bombay—to cover also Burma and Ceylon) ; and one each in New Zealand (Wellington), British East Africa (Nairobi) and British West Indies (Trinidad).

The Trade Commissioners in the Dominions have the assistance of Imperial Trade Correspondents at a number of important centres.

In various parts of the Empire in which at present there are no commissioners there are correspondents with whom the Department deals direct.

2. IN FOREIGN COUNTRIES.

(a) The Commercial Diplomatic Service attached to the British Diplomatic Missions.

This service consists of between thirty and forty posts in all, and the officers of the service are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular officers in his area, and, with the co-operation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

(b) The British Consular Service.

This service has been reorganized. Particular attention has been given to the commercial side of consular work.

The present report has been compiled by Mr. K. W. Stead by courtesy of the Government of Palestine.

NOTE.

It should be understood that the views expressed in annual reports are the views of officers themselves, and are not necessarily in all respects the views of the Department.



TABLE OF CONTENTS.

	PAGE
Commercial Summary	4
INTRODUCTORY	6
I.—ECONOMIC AND FINANCIAL SITUATION :—	
Finance : Revenue and Expenditure	6
Taxation	8
Public Debt	8
Agricultural Loans	8
Grants in Aid	8
Currency and Banking	9
II.—TRADE :—	
General Conditions	9
Balance of Trade	10
Methods of Business	10
Co-operative Movement	10
Chambers of Commerce	10
Imports	10
British Trade	11
Foreign Competition	11
Textiles and Machinery	12
Exports	12
III.—INDUSTRY AND PRODUCTION :—	
Agriculture—	
Cereals and Slaughter Stock	13
Orange Trade	13
Other Fruits	13
The Wine Industry	13
Tobacco Growing	14
Introduction of New Agricultural Staples	14
IV.—INDUSTRY :—	
Power	14
The Soap Industry	15
Building Materials	15
Flour Milling	15
Tobacco and Cigarette Manufacture	15
Salt Production	15
Furniture Making	15
Textiles and Silk	15
Alcohol Manufacture	16
Mother-of-Pearl Industry	16
Match Manufacture	16
General	16
Promotion of Trade and Industry	16

	PAGE
V.—TRANSPORT AND COMMUNICATIONS:—	
Palestine Railways	16
Motor Transport	18
Roads	19
Shipping	19
Public Works	19
VI.—NATURAL RESOURCES:—	
Agriculture	20
Minerals	20
Mining	22
VII.—SOCIAL QUESTIONS:—	
Labour	22
Wages and Hours of Work	23
Immigration	23
Tourist Traffic	23
Legislation.. .. .	24
Cost of Living	25
Housing	25
Commercial and Technical Education	25
Research	25
APPENDICES.	
I.—Trade Balance, 1923-25	26
II.—Table of Imports for 1923-25	26
III.—Countries of Origin of Goods imported during 1925 and their Percentage	27
IV.—Table of Exports of 1923-25	28
V.—Countries of Destination of Palestinian Produce exported during 1925 and their Percentage	29
VI.—Shipping	29

COMMERCIAL SUMMARY.

Area (October, 1926).—9,000 square miles, Trans-Jordan excepted.

Population (April 30th, 1926).—852,268 (estimated).

Immigration (1925).—34,641.

Languages.—English, Arabic and Hebrew are the three official languages. Catalogues and commercial correspondence may be in English, Arabic or Hebrew. French and German are also in common use in commercial circles.

Monetary Unit (October, 1926).—The Egyptian currency is legal tender in Palestine. £E (Egyptian pound) = 100 piastres tariff (PT.) = 1,000 milliemes = £1 0s. 6½d.

Rate of Exchange.—Pre-war : £ sterling = 97½ piastres tariff par rate.
Current (October, 1926) : average, 97½ piastres = £1 sterling.

Index Numbers (basis : 1925 = 100).—Wholesale prices, August, 1926, 94·1. For a Palestinian family of five persons, cost of living as indicated by index number of retail prices (basis : January, 1922 = 100) August, 1926, 87·2.

Weights and Measures.—The metric system is used by Government and the commercial community.

Total Value of Imports (merchandise only) (year 1925).—£E.7,338,491.

From—	£E.
<i>United Kingdom</i> (cotton piece goods, coal, iron and steel manufactures, wearing apparel and machinery	1,083,156
<i>Syria</i> (cotton piece goods, confectionery, animals and foodstuffs)	1,017,903
<i>Germany</i> (machinery, iron and steel manufactures, electrical materials, cement and other building materials)	930,439
<i>United States</i> (kerosene, benzine and other petroleum products, flour, motor cars and machinery)	666,999
<i>France</i> (silk tissues, wearing apparel, confectionery and chocolates, perfumery and leather)	563,689
<i>Egypt</i> (rice, sugar, hosiery, cotton seed oil, boxes of carton and fancy goods	375,169
<i>Italy</i> (cotton piece goods and wearing apparel)	356,204

Principal imports (1925)—

Wheat Flour	312,682
Cement	242,300
Sugar	180,831
Wood and timber unmanufactured	366,839
Cotton piece goods	672,503
Motor cars	125,182
Rice	179,864
Olive oil, unrefined	113,412
Kerosene	173,080
Benzine and other motor spirits	117,379
Cigarettes	40,338
Machinery	231,622

Total Value of Exports (domestic, 1925) 1,297,559

Principal exports (1925)—

Laundry soap	247,735
Oranges	551,463
Watermelons and melons	128,447
Wool, raw	17,356
Wine	41,017
Almonds	32,070
Sesame	14,382
Hides and skins	31,945

To—

<i>Egypt</i> (watermelons, oranges, laundry soap, wine, animals)	577,277
<i>United Kingdom</i> (oranges, wine, curios and articles of piety)	443,774
<i>Syria</i> (water melons, laundry soap, durrah, sesame, wheat, flour, wine and skins	158,102

Railway Mileage.—(January, 1925) 774½ miles. The Kantara-Rafa section, known as the "Sinai Military Railway" (125 miles), is operated by the Palestine railways on behalf of the Air Ministry.

REPORT

ON THE

ECONOMIC AND FINANCIAL SITUATION OF PALESTINE.

INTRODUCTORY.

Palestine, as administered by the Palestine Government, has an area of roughly 9,000 square miles in extent, and includes only that part of historic Palestine which lies to the West of the Jordan.

The population, according to the census on October 23rd, 1922, was 757,182, of which number one-third is located in 22 towns and large villages. It is estimated that the population as at 30th April, 1926, was 752,268, plus over 100,000 nomadic Bedouins. Of these it is calculated that 528,229, plus over 100,000, are Moslems, 139,645 Jews, and 75,936 Christians. The others are mostly Druses. These figures do not include His Majesty's forces in Palestine. Jewish immigration and the measures taken to protect the public health have been important factors in the increase of population.

The country is under-populated and under-cultivated, and lacks capital, but the wants of the rural districts, other than those which they can satisfy by their own production, are few, and there is little poverty. Modern business methods are making headway amongst the urban population, and there is every reason to hope for further development and progress.

I.—ECONOMIC AND FINANCIAL SITUATION.

FINANCE.

Revenue and Expenditure.—The general revenue and expenditure for the last five financial years are shown below :—

Period.	Revenue.	Expenditure.
Nine months ended March 31st—	£E.	£E.
1921	1,107,486	1,227,056
1921-22	2,048,737	1,929,342
1922-23	1,764,585	1,837,173
1923-24	1,633,893	1,633,227
1924-25	2,101,072	1,806,660

Comparative statement of revenue for the years 1923-24 and 1924-25 :—

Hheads of Revenue.	1923-24. £E.	1924-25. £E.
Customs	481,778	626,016
Port and Marine	5,653	5,967
Licences, Taxes, etc.	518,229	611,567
Fees of Court or Office, Receipts for Specific Services and Reim- bursements	141,982	182,348
Posts, Telegraphs and Telephones	114,389	124,589
Railways	347,440	332,430
Revenue from Government Pro- perty	15,684	22,098
Interest	1,606	791
Miscellaneous	5,929	3,807
Land Sales.. .. .	1,203	1,211
	<u>1,633,893</u>	<u>1,910,824</u>
Grant-in-Aid, Palestine Gendar- merie	—	190,248
Total Revenue	<u>1,633,893</u>	<u>2,101,072</u>

Comparative statement of expenditure for the years 1923-24 and 1924-25 :—

Hheads of Expenditure.	1923-24. £E.	1924-25. £E.
Pensions	16,424	16,943
Public Debt and Loan Charges..	62,376	129,297
His Excellency the High Com- missioner	6,778	6,819
Secretariat	16,875	23,254
District Administration	96,127	94,173
Legal Department	72,515	73,191
Treasury	18,731	17,232
Audit Department	5,894	6,910
Customs, Excise and Trade	34,363	35,777
Department of Commerce and Industry	9,591	—
Health Department	91,355	82,329
Education Department	97,278	100,099
Agriculture and Forests	35,617	34,799
Antiquities	5,125	5,501
Land Department	14,458	14,529
Survey Department	1,980	1,768
Police and Prisons	181,353	183,806
Gendarmerie (Palestinian Section)	83,920	83,281
Department of Immigration and Travel	8,272	—
Gendarmerie (British Section) ..	—	197,855
Posts, Telegraphs and Telephones	95,925	83,589
Miscellaneous	126,748	141,426
Public Works Department	65,925	26,845
Public Works Recurrent	69,813	109,688
Railways	306,041	230,054
	<u>1,523,484</u>	<u>1,699,165</u>
Posts, Telegraphs and Telephones Extraordinary	2,508	—
Public Works Extraordinary	8,139	13,962
Railways Extraordinary	99,096	93,533
Total Expenditure	<u>1,633,227</u>	<u>1,806,660</u>

Taxation.—The revenue is derived principally from customs dues, tithes and house and land tax.

The Customs Tariff imposes an *ad-valorem* duty of 12 per cent. generally on imported goods, of 15 per cent. on furniture, jewellery, vehicles, musical instruments, soap, toys, grains, etc., and of 20 per cent. on confectionery and wines.

Specific duties are levied on arms, ammunition and explosives, cereals and pulses, foodstuffs, tobacco, beverages, livestock, fuel, building materials, wood and timber.

The customs tariff as on June 1st, 1926, is shown in Appendix VII.

Public Debt. *Ottoman Public Debt.*—The proportion of capital and annuities in arrear outstanding at the 6th August, 1924, allotted to Palestine under the Treaty of Lausanne, amounts to £T.3,284,429.

Palestine Loan.—The following expenditure has been incurred from surplus revenue balances and from advances by the Crown Agents, London, in anticipation of the issue of the projected Palestine loan of £4,500,000 :—

	£E.
Railways	1,495,241
Buildings	57,087
Roads and Bridges	123,098
Telegraphs and Telephones	129,315
Other works of development—	
1. Harbours and Wharves	4,468
2. Cadastral Survey	127,672
3. Land Settlement Courts	15,525
4. Stud Farm, Acre	308
5. Afforestation	3,003
Total	1,955,717

Imperial Assets.—The sum of £1,000,000 is due to His Majesty's Government in respect of railways, roads, telegraphs and other capital assets acquired by the Palestine Government. Provision for the payment of this amount is included in the schedule of the projected Palestine loan referred to above.

Agricultural Loans.—In accordance with the terms of an agreement between the Chief Administrator of the Occupied Enemy Territory Administration and the Anglo-Egyptian Bank, Ltd. (now Barclay's Bank (Dominion, Colonial and Overseas)), the Bank has advanced the total sum of £E.561,911, for loans to cultivators, of which £E.404,980 have been repaid, leaving an outstanding balance of £E.156,931 at the 31st March, 1925.

The loans to cultivators bear interest at the rate of $6\frac{1}{2}$ per cent. per annum.

Grants-in-Aid.—The cost of maintenance of the military units in Palestine is defrayed from Imperial funds; and grants-in-aid have been made to the Palestine Administration, as under, to meet the cost of the British section of the Palestine Gendarmerie,

which constituted a part of the Civil Forces up to the 31st March, 1926 :—1922-23, £E.287,625 ; 1923-24, £E.234,606 ; 1924-25, £E.187,200.

Palestine possesses no stock or produce exchanges or organised money markets, although some merchants indulge in speculation in shares and currencies.

Currency.—There is as yet no Palestinian currency, the legal tender consists of Egyptian bank and currency notes, gold, silver and nickel—and the British gold sovereign at the rate of 97½ piastres Egyptian. A Palestine currency board has recently been appointed by the Secretary of State for the Colonies to introduce a local Palestinian currency based on the pound sterling.

Banking.—The most important bank in Palestine is Barclay's Bank (Dominion, Colonial and Overseas), Ltd., with which is amalgamated the Anglo-Egyptian Bank, Ltd., with branches at Jerusalem, Jaffa, Tel-Aviv, Haifa and Gaza. The Anglo-Palestine Company has its head office in Jaffa, with branches in Jerusalem, Tel-Aviv, Haifa, Tiberias and Safad. In addition, there are branches in Jerusalem of the Credit Lyonnais, the Ottoman Bank (of the latter there are branches also in Haifa, Jaffa and Nablus), and the Banco di Roma, with branches in Jaffa and Haifa. There is a workers' bank at Jaffa, and small banks have been established for granting building loans and short-term credits.

The legal rate of interest is 9 per cent., but the actual charges for accommodation on good security varies between 12 per cent. and 15 per cent.

II.—TRADE.

General Conditions.—The commercial situation of the country, which became more stable during 1924, received a considerable stimulus during 1925 owing to the large numbers of new immigrants possessing capital. Immigrants entering the country during the year numbered 34,641, a large percentage of whom were possessed of considerable means, which were deposited in the banks, thereby facilitating the granting of credits. During the first part of the year the rate of interest on loans reached the lowest figure since the British occupation. Some 6,000 building permits were issued by municipalities, and a sum exceeding £E.2,000,000 was invested in buildings during 1925 in order to provide housing accommodation for the new settlers. The principal centre for this activity was Tel-Aviv, where over 70 per cent. of the total amount spent in building operations was invested.

The requirements of the country, particularly in foodstuffs, clothing and machinery, increased considerably, especially as the cereal season of 1925 was a poor one owing to drought. As a result of the increased demand traders indulged in speculative purchases abroad, particularly in the building and allied trades. The immobilization of capital in extensive building operations and

land purchases, coupled with speculative purchases abroad, caused a shortage of capital towards the end of the year which led to a restriction of credit. This synchronized with a decline in the building activity and resulted in a depression in trade which still continues (October, 1926). A number of bankruptcies occurred, but the total liabilities were relatively small. These failures were due principally to keen competition and the unsound basis on which certain traders were working. The urban population of the country, particularly that of Tel-Aviv, is suffering most from the present depression.

With a cautious policy on the part of the banks, the cessation of land speculation, and the restriction of orders by traders, it is anticipated that the trade depression will be only temporary.

Balance of Trade.—The adverse balance of trade as shown in Appendix I is accounted for by the following invisible items :—

Tourist traffic, expenditure of Zionist funds, religious and relief missions, immigrants' capital, re-exports to Trans-Jordania and Syria, and investments and remittances from abroad. Though the balance of trade is not satisfactory, it is not alarming.

Methods of Business.—Modern methods of business are progressing rapidly, and though 35 to 45 per cent. of the trade is still in the hands of commission agents or small merchants, direct connections with foreign firms are increasing. A relatively large number of partnerships engaged in all branches of trade were registered in 1925. Twelve foreign and 27 Palestinian companies were registered during the year, as compared with 13 and 29 companies respectively registered during 1924. The Palestinian companies represent a capital of £E.255,675.

Co-operative Movement.—This movement, which is spreading chiefly amongst the Jewish community, was given legal standing in 1920.

The number of co-operative societies registered during 1925 was 47, as compared with 26 in the previous year. Of the total number, 42 are housing and building societies; some 21 are loan societies, and the rest are agricultural, industrial and commercial societies. A number of co-operative banks are also in operation.

Chambers of Commerce.—A number of chambers of commerce are functioning in the principal cities. The Jerusalem Chamber is composed of members from all nationalities, whereas those at Jaffa and Haifa are divided into Jewish and Arab chambers. There are also a number of traders' associations at the smaller towns of Hebron, Gaza, Acre, Nazareth, etc.

The principal chambers are in constant touch with the Government on questions connected with the promotion of trade in general.

Imports.—The increase in the imports during 1925 as compared with 1924, amounting to the sum of £E.2,078,576, was chiefly in cereals, foodstuffs, wood and timber, cement, cotton and woollen tissues, motor cars, benzine and kerosene.

The principal decreases were in sugar, tombac, iron bars, girders, plates and sheets.

The countries which contributed chiefly to the increase in imports in 1925 were, in order of importance, Germany, France, Austria, United States of America, Italy, Roumania, Syria, the United Kingdom, India, Australia and Egypt.

The percentage of goods imported from the principal foreign countries during 1925 was as follows:—United Kingdom, 14·50 per cent. ; Syria, 14·50 per cent. ; Germany, 12·50 per cent. ; U.S.A., 9·50 per cent. ; France, 7·50 per cent. ; Egypt, 5·50 per cent. ; Italy, 5 per cent. ; Roumania, 4·50 per cent.

British Trade.—Although the increase in the value of imports from the United Kingdom in 1925 is not substantial in comparison with other countries, the United Kingdom trade still holds the first place in the list of countries exporting to Palestine. The principal articles imported from the United Kingdom are cotton piece goods, yarns of all kinds, woollen tissues, and under garments.

The total imports from other parts of the British Empire increased from £E.351,940 in 1924 to £E. 583,550 in 1925, and was due to increased imports from India and Australia, consisting of wheat flour, wheat and rice. The value of these imports amounted to a sum of £E.406,428.

Foreign Competition.—*Syria* ranks second in the list of countries exporting goods to Palestine. Goods purchased in Syria are not all of Syrian origin, and many foreign goods which have undergone a slight process of manufacture in that country are classified as Syrian goods. Animals, foodstuffs, furniture, brass and copper manufactures, olive oil, apparel, bullion and specie are imported from Syria.

Germany holds the third place. The principal articles imported from Germany are machinery, iron and steel goods of all kinds, cement, paper and cardboard. Imports from that country increased in 1925 by £E.370,757.

The United States of America is fourth in the list. Imports thence increased by £E.280,458. The chief articles imported in 1925 were wheat, flour, motor cars, kerosene, benzine, mineral lubricating oils, tyres and glucose.

France, which comes fifth in the list of the countries of supply, has increased her trade by £E.244,099. The principal articles imported from that country are silk cloths and mixed silk textiles, wheat flour, potatoes, drugs and hosiery.

Egypt.—Small merchants frequently visit the Egyptian market and obtain their requirements of foreign goods from wholesale dealers in that country. The trade transactions between Palestine and Egypt are far more important than the statistics show, as only goods of Egyptian origin are included in the figure given for the total imports from this country. The rest of the goods bought in Egypt being classified under their respective country of origin.

The principal articles of Egyptian origin imported into Palestine are rice, sole leather, vegetables, sugar, cigarettes and wearing apparel.

Textiles.—From the figures given below it will be observed that the *textiles* imported into Palestine are chiefly of British origin. Competition, particularly from Italy, has increased considerably, but not to such an extent as to challenge the United Kingdom in the supply of these goods.

The following figures show the value of the various textiles imported and the principal sources of supply :—

Cotton piece goods—						£E.
United Kingdom	..	..	..	..	..	265,281
Italy	..	..	..	..	..	135,508
France	..	..	..	..	..	48,277
Other countries	..	..	..	..	..	223,437
Total						672,503
Woollen tissues wholly of wool or mixed—						£E.
United Kingdom	..	..	..	..	..	47,490
France	..	..	..	..	..	44,937
Italy	..	..	..	..	..	10,920
Other countries	..	..	..	..	..	26,876
Total						130,233

Machinery. Imports.—With regard to machinery (excluding electrical machinery), Germany holds the premier position, the United Kingdom takes the second place, and the United States of America the third, as shown below :—

						£E.
Germany	..	..	..	..	..	108,119
United Kingdom	..	..	..	..	..	38,980
United States of America	..	..	..	..	..	30,940
Other countries	..	..	..	..	..	53,583
Total						231,622

Exports.—Exports from Palestine of local produce increased during 1925 by £E.96,747 over the previous year. The principal articles responsible for this increase were oranges, water melons, laundry soap, leaf tobacco, durrah and almonds. The principal decreases in the exports of the year were in cereals, wine, grapes, hides and skins. The principal countries purchasing Palestinian produce are Egypt, the United Kingdom and Syria.

III.—INDUSTRY AND PRODUCTION.

Palestine is essentially an agricultural country, and it is only since the British occupation that industries have begun to develop. Before the war the manufacture of wine was the only industry existing on a large scale, and a few factories in Nablus and elsewhere made soap from olive oil by simple processes.

A considerable number of small industries manufacturing a large variety of goods, as well as a few factories on a large scale engaged in the manufacture of cement, soap, silk, leather, flour, silicate bricks and textiles have been founded by immigrants entering Palestine since the British occupation, and a total sum of over £E.2,500,000 has been invested in these enterprises.

AGRICULTURE.

Agriculture, however, continues to be the leading industry of the country.

Cereals and Slaughter Stock.—During 1925 the country was largely dependent on imported food supplies, particularly foreign wheat, wheat flour, barley and slaughter stock. Though exports of these commodities during the previous years had been very important, imports during 1925 reached the total of £E.312,682 for wheat flour, £E.167,167 for wheat, £E.69,712 for barley and £E.128,065 for slaughter stock.

This was due principally to unfavourable weather conditions and certain areas formerly planted with cereals being reserved for the cultivation of forage crops. In addition, the considerable number of immigrants entering the country during last year were responsible for a substantial increase in the imports of these commodities.

Orange Trade.—The orange trade, which forms the principal export of the country, is progressing favourably, and large areas, approximating to 6,000 dunums, were planted during the year. The crop suffered from frost and drought and was slightly lower than in 1924, but the prices realised in the English markets were high owing to the failure of the Spanish crop. Cases of oranges to the number of 1,868,291, valued at £E.551,463, were exported during 1925, of which 1,319,213 cases, value £E.417,940, went to the United Kingdom, as against 1,880,783 cases, value £E.460,350, in 1924. Freight agreements and rebates are concluded every year between the Jaffa orange traders and British shipping lines calling at Jaffa.

Other Fruits.—The export of *water melons* and *melons*, chiefly to Egypt and Syria, has also increased, though prices realized were lower than in 1924. The value of melons exported in 1925 was £E.128,447, as compared with £E.106,375 for the previous year. *Almonds* had a better sale, exports amounting to £E.32,070, as compared with £E.27,098 in the previous year.

The Wine Industry.—The value of wine exported was lower than that in 1924 by £E.7,850. The industry is suffering from lack of sufficient markets and the strong competition of countries with a depreciated currency. Vine-growers are converting vineyards into orange groves, others are paying more attention to the production of table grapes.

The production of wine and liquors as assessed in 1925 and 1924 were as follows :—

	1925.	1924.
	Kilos.	Kilos.
Dry wine	1,035,523	830,838
Sweet wine	1,123,343	634,115
Arak	138,858	69,948
Cognac	34,356	40,905
Other liqueurs	13,183	6,974

Tobacco Growing.—The remarkable enthusiasm displayed for tobacco planting during 1924 resulted in the production of a crop largely in excess of local requirements. A large surplus caused an inevitable reaction, and the area planted with tobacco decreased from 27,137 dunums in 1924 to 11,676 dunums in 1925. This, however, may prove a blessing in disguise by ensuring the production of higher-grade tobacco leaf. The production of tobacco decreased from 1,845 tons in 1924 to 678 tons in 1925.

Introduction of New Agricultural Staples.—The introduction of new staples promising higher acreage results is being organized by the Department of Agriculture, selection being made of crops the production and preparation of which call for no considerable outlay on machinery and no special expenditure except for labour. Oil seeds, such as ground-nuts, linseed, sunflower and soya beans, and fibres such as cotton, flax and hemp, which find a ready market locally in oil and textile mills, soap factories, etc., are being encouraged. The past season was not favourable from a weather point of view, but good results were obtained at forest nurseries with ground-nuts, flax, and sunflowers, where a deficient rainfall was supplemented by irrigation. Banana cultivation is increasing. Subsidiary industries for the production of perfumes, medicinal barks, etc., have been established. Liquorice roots from the Jordan Valley are in good demand.

INDUSTRY.

Early in 1925 industrial conditions were favourable and a number of important factories were established. A silk-weaving factory, cotton-spinning and a steam tannery commenced operations at Tel-Aviv.

A match factory at Acre, a cement factory at Haifa, and a factory for the distillation of essential oils and the manufacture of perfumes was opened at Benjamina.

Power.—The most important stimulant to local industry has been the establishment of electrical power stations at Tel-Aviv, Haifa and Tiberias (the latter two in 1925) by the Palestine Electrical Company, Ltd. So great has been the demand for electricity at Tel-Aviv and Jaffa that the two engines, each of 500 h.p., which were first installed in the power station there had to be supplemented by a third one of 250 h.p., and later by a fourth of 1,000 h.p. Electricity is now also supplied from the Tel-Aviv station to Petah Tikvah, the largest Jewish colony in

the neighbourhood. It is expected shortly to start work on the establishment of hydro-electric power from the Jordan. The first hydro-electric station will produce 24,000 h.p. for 24 hours a day ; others can be added as conditions may demand, up to a total output of 300,000 h.p.

The Soap Industry.—The soap-making industry, the most important of the pre-war industries with the exception of wine manufacture, is progressing, and new methods and machinery are being introduced by manufacturers. The production is increasing, and during 1925 5,855 tons of laundry soap, valued at £E.247,725, were exported, showing an increase over the previous year of 1,046 tons, valued at £E.43,834. Toilet soap of an improved quality is now being manufactured. The "Shemen" Oil Company at Haifa, a modern factory established with a capital of approximately £E.250,000, commenced manufacturing laundry and toilet soap on a limited scale. A number of small soap factories have been established during the year in Tel-Aviv and Jaffa.

Building Materials.—This industry had a relatively satisfactory year, although it has suffered considerably from the decline towards the end of the year in the building operations. The Portland Cement Company "Nesher" of Haifa commenced operations in October. The cement produced by this factory compares favourably with foreign brands. The capital invested is approximately £E.300,000, and the factory can produce 60,000 tons a year.

Flour Milling.—Flour milling is progressing. The Grands Moulins de Palestine erected an additional factory for the manufacture of Matzot (Passover bread). Prospects for this new enterprise are good.

Tobacco and Cigarette Manufacture.—Seven tobacco and cigarette factories and seven tobac factories were working regularly in 1925. Over 300 tons of cigarettes were manufactured. The industry is progressing steadily, but a certain amount of tobacco is still smuggled into the country, with a resulting loss to manufacturers and to the revenue.

Salt Production.—The sale of salt is a Government monopoly. A company is producing salt at Athlit by the evaporation of sea water in artificial basins. The output of this company was 5,500 tons of salt in 1925, as compared with 2,600 tons in 1924. Sales of salt by the Government amounted to 4,794 tons in 1925, as compared with 3,457 tons in 1924.

Furniture Making.—Competition, particularly from Syria, is very strong ; but the industry is making headway.

Textiles and Silk.—The only factory now working at anything approaching capacity is the "Lodzia" textile factory, employing about 100 hands, and manufacturing hosiery and underclothing from imported yarns.

The Delfiner silk factory, which opened early in 1925, closed down, but has recently been re-opened.

Alcohol Manufacturing.—Three factories are producing alcohol in the country ; these have formed a syndicate in order to reduce the cost of production and eliminate competition. The production was 52,456 kilos. of alcohol in 1924 and 261,894 kilos. in 1925.

Mother-of-pearl Industry.—The Bethlehem industry progressed during the year owing to the success it obtained at the British Empire Exhibition, where important sales of curios and articles of piety were effected.

Match Manufacture.—There are two match factories in Palestine, one at Acre and the other at Tel-Aviv. The industry is hampered by the high cost of production.

General.—Over 700 small industrial concerns are at work manufacturing all sorts of goods. There are brass and iron foundries, printing presses, and factories manufacturing confectionery, pottery, and furniture, and many persons are employed in other trades. Industry in Palestine is still in an embryonic stage and is handicapped by the lack of raw materials, the relatively high cost of production, and transport. Long-term industrial credits are lacking. The more important industries were not seriously affected by the financial depression of the latter part of the year, and prospects for the future are promising for those industries which can obtain their raw materials in the country.

Promotion of Trade and Industry.—Most of the new industries find their development retarded by the high cost of living, with its corollary of a high cost of production, and many of them ask for measures of protection. The Government policy in these matters has been to grant customs exception in respect of raw materials, and to assist the development of the export trade.

Olive oil for industrial purposes, caustic soda, various seeds for the extraction of oils, hides and skins, dyes, cotton, woollen and silk yarns, mother-of-pearl shells, sulphur, printers' types, tools and implements, bottles, etc., were exempted from customs import duty during the year in order to encourage local industries. The export duty on all articles, with the exception of antiquities, was abolished early in 1926.

With a view to encouraging agriculture, the land tax on tobacco and cotton has been abolished for a certain period, and the agricultural tithe has been reduced from 12½ to 10 per cent.

V.—TRANSPORT AND COMMUNICATIONS.

Palestine Railways.—Steady development and progress were recorded in all branches ; the tonnage handled, passengers carried, kilometrage of line operated, and work performed were substantially in excess of the figures for 1924. The traffic conse-

quent on increased immigration and building activities was handled without incident.

The gross earnings of all sections were £E.604,569, and working expenses £E.438,504.

The railway administration operates the following sections :—

Palestine railways—				Kilometres.	Kilometres.
Open line	..	..	..	374·223	
Sidings	..	..	..	98·491	
				<hr/>	472·714
Sinai military railway—					
Open line	..	..	..	201·885	
Sidings	..	..	..	41·235	
				<hr/>	243·120
Hejaz railway (Palestine)—					
Open line	..	..	..	212·040	
Sidings	..	..	..	30·546	
				<hr/>	242·586
Hejaz railway (Trans-Jordan)—					
Open line	..	..	..	436·343	
Sidings	..	..	..	10·945	
				<hr/>	447·288
Total	..	..	..	..	<hr/>1,405·708

Of these, 715·834 kilometres are standard gauge and 689·874 kilometres are 105-cm. gauge track.

The main line standard gauge is in good condition throughout, and the 105-cm. gauge also, except from Amman to Ma'an, where damage was caused by floods. From Ma'an to Qal'at el Mudawwara, bridges have still to be repaired over several wadis.

The Jaffa-Jerusalem line is being widened to a maximum of 1½ ins. over normal to lessen the tractive effort of trains on the 150-metre radius curves and 2 per cent. grades.

The standard gauge was extended from Haifa for 7 kilometres eastwards over the 105-cm. gauge of the Hejaz Railway to connect up the "Nesher" cement factory, to which a private siding was laid.

Some 21,000 cubic metres of ballast were placed during the year, and the main line from Zichron Jacob to Athlit was relaid with B.S.S. rails on wooden sleepers, replacing Krupp rails. There no longer remains other than B.S.S. permanent-way material on the standard gauge.

The derelict line which ran from Asluj (30 kilometres south of Beersheba) to the Palestine-Egypt frontier at Kossaima was salvaged, and all the railway material is now in depots.

Staff instruments were installed on the Raf-Beersheba branch and working appliances fitted at various sections and sidings. The Western Electric Telephone control has been centralized at Haifa, and six emergency telephone outfits have been provided.

Standard crossing signs, whistle boards, speed restriction boards, etc., are in use.

The line from Haifa to Kantara was recharged and zero transferred from Kantara to Haifa. Hectometre stones have been set up throughout the line.

Special installations were constructed at Lydda, Sarafand, Artuf and Jerusalem to supply Jerusalem with water during the drought, and from 75,000 to 120,000 gallons were transported daily by as many as six trains between Lydda and Jerusalem.

The melon and orange traffic was particularly heavy and the grape traffic good, but cereal traffic was poor owing to the crop failure in Beersheba, the Hauran and Trans-Jordan. The salt traffic increased, as did the oil traffic from Egypt. There was a substantial traffic from the Haifa cement factory. The traffic in vegetables, fresh fish and other perishable goods by passenger train developed appreciably ; this service is of much benefit to the general public.

Traffic between Palestine and Syria decreased, the depreciation of Syrian currency contributing to a reduction in receipts in consignments booked through.

Considerable traffic, mainly in rice, sugar, flour and coffee from Egypt was carried coastwise ; sea freight charges being about 50 per cent. lower than railway freight charges.

The inauguration of through "small goods" services and night working at transshipping centres enable the railway successfully to compete with road transport.

Through-booking of goods between Palestine and the Ma'an Vilayet was instituted.

Nine passenger excursions were arranged with satisfactory results. Sixty-two special trains were run, conveying 10,947 tourists.

25,762 tons of coal were discharged at Haifa during the year.

Issues and receipts of stores :—

RECEIPTS.					£E.	£E.
General stores	..	..	..	..	66,390	
Coal	..	..	..	..	52,823	
						119,213
ISSUES.					£E.	£E.
General stores	..	..	..	..	89,256	
Coal	..	..	..	..	52,826	
						142,082

Tonnage handled.—Goods traffic handled during 1925 was 512,246 tons, compared with 350,982 tons in 1924 and 307,001 tons in 1923.

COACHING.

Year.	1st Class.	2nd Class.	3rd Class.	All Classes.
1924	40,649	68,855	1,093,035	1,202,539
1925	34,069	61,521	1,136,921	1,232,511

Motor Transport.—Motor transport, which was unknown in Palestine before the war, has developed considerably since the British occupation.

There are 1,169 touring cars, 295 motor 'buses, 111 lorries and ton trucks, and 146 motor-cycles now registered with the Depart-

ment of Police and Prisons. Motor-car services link up the whole of Palestine, services between the less important towns being of an irregular nature.

Motor 'buses are operating in the main towns of Jerusalem, Tel-Aviv, Jaffa and Haifa. There were 805 motor cars imported during 1925, as compared with 205 imported during 1924; of these, 738 came from the United States of America, 24 from France, 23 from Italy, 11 from Canada, 4 from the United Kingdom, 4 from Germany, and 1 from Austria.

Roads.—The length of metalled roads in the country is approximately 600 kilometres, and, in addition, many hundreds of kilometres of tracks are passable for wheeled traffic of all kinds during dry weather. Resurfacing and repair to many roads was in progress and new roads were constructed.

Shipping (*see* Appendix VI).—The chief ports of Palestine are Jaffa and Haifa, the Acre and Gaza being of little importance.

The development of trade is much handicapped by the absence of good harbour accommodation, the ports of Jaffa and Haifa being merely open roadsteads.

The Government is, however, paying considerable attention to the situation, and it is hoped to construct a modern harbour at Haifa and a quay at Jaffa.

Palestine has no shipping of its own other than a small number of sailing vessels, tugs and lighters. Regular passenger and cargo services are provided by about 30 shipping lines. The Khedivial, Lloyd Triestino, Servizi Maritimi, and Italiani (Sitmar Line) run a weekly service; the Messageries Maritimes, Fabre Line, Deutch Oriental Linie, Deutch Levant Linie, Serviciul Maritim Roman run fortnightly services, and the Prince Line a monthly service.

Calls are made at irregular intervals by the Compagnie Russe de Navigation, Moss and Ellerman Line, Greek and other lines.

During 1925, 754 steamers, totalling 1,831,619 tons, and 1,718 sailing vessels, totalling 27,423 tons, arrived at Palestine ports, as compared with 605 steamers, totalling 1,329,575 tons, and 1,521 sailing vessels, totalling 24,266 tons, arriving during 1924.

There are no navigable rivers or canals in the country, but small sailing vessels and motor boats ply on the Dead Sea and the Lake of Tiberias.

Public Works.—The total expenditure by the Department of Public Works was £E.203,000, compared with £E.328,000, inclusive of £E.70,000 for Air Ministry works in 1924.

The maintenance of the main roads, Government buildings, Government school buildings, etc., was satisfactory. 35 kilometres of a new road from Rosh Pina to Metulla were constructed, with 11 bridges—1 a suspension bridge of 21 metres span—and 19 culverts.

On the Jaffa-Ramleh road $3\frac{1}{2}$ kilometres were completed with stone foundation and bitumen surface. Reservoirs have been

constructed and pipe-lines laid for the Tiberias water supply. Eight village water supply schemes were completed.

At the Jaffa customs the office and warehouse accommodation was increased and electric lighting installed for the roads, quays, stores and offices. A temporary sea wall of steel sheet piling was built and the enclosed area reclaimed to provide additional space for goods.

A high-tension transmission line from the Sarafand line to Richon le Zion and the construction of power-houses and distribution systems in Haifa and Tiberias were completed by the Palestine Electric Corporation.

VI.—NATURAL RESOURCES.

Agriculture.—The principal agricultural products are cereals and fruit. The total value of agricultural exports was £E.792,341, of which £E.716,352 represents fruits and fruit products.

According to the revenue returns, there are in Palestine 290,503 sheep, 537,904 goats, 4,457 buffaloes, and 25,546 camels. Drought, scarcity of grazing and heavier slaughtering to meet the requirements of a rapidly-increasing population have counterbalanced the natural increase of livestock.

Forty thousand head of cattle, 160,000 sheep, and 80,000 goats were slaughtered in the larger towns.

The local wool crop is estimated at 800 tons yearly, and the export trade is growing. Local wool is of the carpet variety, and sells locally unwashed and unskirted for Pt. 5 to Pt. 8 per kilo.

Bee-keeping suffered a temporary set-back due to drought and to poor flow of nectar. Six hundred modern hives are now installed in Palestine. The exports of honey were 9,417 kilos. in 1925, of which 6,577 went to the United Kingdom.

In the continued absence of any shelter on the coast, little progress in the fishing industry was possible. The season's catch at Haifa dropped to 127 tons, as compared with 252 tons taken during the previous year. Catches at Acre totalled 44 tons. A marked increase of imports of fresh and tinned fish has been recorded, the total value of these imports amounting to £E.13,058 and £E.38,250 respectively.

Minerals.—The minerals of Palestine and Trans-Jordan may be divided into the following classes :—

- (a) Minerals in solution ; (b) earthy or non-metallic minerals ;
- (c) metallic minerals ; (d) petroleum and natural gas.

Up to the present time the country has only been partially surveyed ; the increasing knowledge of the geological formations indicate greater possibilities than have hitherto been suspected. The following *resumé* gives an indication of the mining possibilities.

(a) *Minerals in solution.*—The Dead Sea contains 1·0 to 1·5 per cent. potassium chloride, according to the depth at which the sample is taken ; 0·5 to 0·7 per cent. magnesium bromide ;

11 to 17 per cent. magnesium chloride, and 7 to 9 per cent. sodium chloride.

(b) *Earthy minerals* at present known are rock phosphate, rock salt, gypsum, sulphur, bituminous limestone and bitumen. With development of the country and cheap transport it is probable that much of the phosphate beds will be worked.

Bituminous limestone.—These are also very widespread in the formation named, sometimes occurring in very thick beds associated with the chalk or overlying the phosphate deposits at Nebi Musa. The low price of fuel oil in Palestine and the presence of a high percentage of sulphur in the crude oil is somewhat against their present development, but applications to work them have been received, and it is possible that the light oils might be marketed locally.

Bitumen occurs rather widely distributed, but it is not usually in a form that can be readily used without purification.

Thin seams of coal are found associated with Nubian sandstone around the Dead Sea, but do not appear to exist in beds of any commercial value.

Rock salt occurs in domes, such as that of Jabel Usdom, where it intrudes into the gypseous marls and sands of Miopliocene age; much of the salt is extremely pure.

Sulphur and gypsum are widely distributed in the deluvial deposits of the old Jordan lake area, but only in a few places have they been profitably extracted.

Metallic minerals.—Iron ores, mostly of a poor quality or very limited extent are found associated with the Jurassic rocks and the upper Senonian series in many parts of Palestine and Trans-Jordan. No detailed survey or examination exists, and it remains for the future to determine whether they possess any commercial value.

The area of crystalline rocks of Archean and Paleozoic age of Trans-Jordan are known to carry metallic minerals such as the copper ore at Fenan, and in their extension into Arabia gold was worked by the ancients. There appears, therefore, possibilities in this region of the discovery of metallic minerals—whether of commercial value will probably be determined by a survey that is shortly to be undertaken.

Petroleum and natural gas.—The main indications of petroleum are where the Cretaceous or Eocene rocks are covered with beds of later, probably Miopliocene, age. The area around the Dead Sea, particularly the southern end, has been known as long as history carries us back as a region of bitumen and oil. The main indications are oily bitumen in rocks which may be of Nubian, Turonian or Senonian age. The Miopliocene also contain indication of oil. It is expected that in the near future the area will be tested by the drill and settle the long-debated question of oil in commercial quantities in Southern Palestine.

Mining.—No mining exists at present either in Palestine or Trans-Jordan.

Tenders were invited during 1925 for working the minerals of the Dead Sea under a monopoly grant, and are now under consideration.

The bitumen in the Dead Sea area would find a good market in Palestine. The known deposits of phosphate would only permit of a small proportion of the superior qualities being exported.

The future of bituminous limestone depends as elsewhere on an increase of price of crude oil.

There is an opening for modern quarry methods, and probably a good export business could be done in ornamental stone for churches and monumental stones, particularly on sentimental grounds, but a considerable capital would be required, especially for advertising.

Materials for the manufacture of cement exist. One large factory has been started near Haifa.

Red bricks and tiles are imported in large quantity. The alluvial clays containing fragments of limestone are unsuitable for making fired bricks. The recent discovery of marine clays near the surface at Ramleh provides the necessary body for the manufacture of red bricks and tiles and many classes of earthenware. A fine sand formation covers these deposits, and is therefore to hand for giving the right mixture. These clays are overlain in parts with soft limestones.

VII.—SOCIAL QUESTIONS.

Labour.—There are 30,000 Jewish workers in Palestine, who may be classified under the following categories :—

Agriculture 7,000, building 7,000, industry 6,000, artisans (employees) 2,500, transport 2,500, unskilled labourers 4,000, others 1,000.

Jewish workers in Palestine to the number of 24,000 are organized in trade unions which form the Jewish Labour Association. A few hundred Arabs have adhered to this organization, but no reliable figures of Arab labour exist.

After the British occupation there was a scarcity of skilled labour for the growing needs of local industry. This has been largely satisfied by immigration. Since the 1st of January, 1922, to 30th June, 1926, 24,289 workers entered the country, most of whom were Jews.

The monthly return of unemployment among Jews during 1925 (January to December) was as follows :—

400, 600, 450, 400, 400, 450, 500, 400, 400, 600, 1,200, 3,000.

The number of unemployed at the end of June, 1926, reached 6,000, of whom about 2,000 were given work from one to two days a week ; 40 per cent. of the unemployed were builders.

Labour conditions have remained practically unchanged since January, 1926.

Wages and Hours of Work.—The influence of labour organizations is not equal everywhere. At Tel-Aviv and in all the larger industrial concerns an eight-hour day and relatively high rate of wages obtains, and collective contracts between the unions and the undertakings are concluded. In the smaller workshops, particularly at Jaffa, Haifa and Jerusalem, the influence of trade unions is not so strong, and a working day of 9 to 10 hours and lower rates of wages obtains.

The present rates of wages in industrial concerns are :—

—	Unskilled.	Skilled Master.	Skilled Mate.
	PT.	PT.	PT.
Jewish	20-25	35-50	30-40
Arab	6-10	35	15

During the last eight months the wages amongst Jewish labourers decreased by 25 to 30 per cent.

Twenty-nine strikes occurred during last year, in which 2,581 workers were involved.

No trusts or cartels exist at present in Palestine.

The Government's policy towards industrial disputes has been one of impartiality as regards the questions in dispute, maintenance of order and freedom of access to the premises where the disputes occurred, while not denying to the workers or their representatives the opportunity of stating their case to any work-people brought in to take their places, provided that this right of "peaceful persuasion" did not lead to violent measures.

Immigration.—Immigrants totalling 34,641 (14,413 men, 11,953 women and 8,275 children), of whom 33,801 (14,034 men, 11,649 women, and 8,118 children) were Jews, entered Palestine during 1925, as compared with 13,553 (12,856 Jews) in 1924. Of these, 90 per cent. came from Europe ; 49 per cent. from Poland alone. The most noticeable increase last year was in immigrants of the small capitalist class, who numbered 11,123. Unemployment was practically non-existent until the last months of the year, when numbers were thrown out of work on account of diminished activity in the building trade. (For further reference see Colonial Office Report No. 20 on the Administration of Palestine and Trans-Jordan.)

Tourists.—The tourist season in 1925 was satisfactory, large conducted parties visited the country early in the year. Thousands of visitors came to Jerusalem in connection with the opening of the Hebrew University in April. A special feature was the summer tourist traffic, which is becoming increasingly popular. Exceptional facilities are afforded to parties organized by recognized tourist agencies, and special arrangements are made for pilgrims.

The majority of conducted tourists landed at Haifa, some 30 tourist steamers calling at that port during 1925.

The lack of adequate hotel accommodation hinders the progress of this traffic, which promises well for the future.

It is hoped that some large and up-to-date hotels will be constructed in Jerusalem ; a large and modern hotel was constructed in 1925 at Tel-Aviv.

Legislation.—(For detailed information on the legislation of Palestine see the " Report on the Administration of Palestine and Trans-Jordan, 1925," Colonial No. 20, and the Attorney-General's (Mr. Bentwich's) article entitled " The Legislation of Palestine," in the *Journal of Comparative Legislation*, dated February, 1926.)

The Palestine Government has adhered to the conventions of the League of Nations concerning the use of white phosphorus in the manufacture of matches and concerning traffic in women, and has enacted legislation to give local effect thereto. The relevant Ordinances are the White Phosphorus Matches Prohibition Ordinance, 1925, and the Criminal Law Amendment Ordinance, 1926.

The accession of Palestine to the commercial treaties signed between the British Government and the Governments of Lithuania, Latvia, Poland and Finland has been notified.

Municipal regulations concerning the exploitation of public establishments and unhealthy trades were drawn up in 1920, but apply to municipal areas only.

The regulations make obligatory the registration of all persons engaged in certain trades, and empower a municipality, on the advice of the Department of Health, to issue regulations to govern the exploitation of each trade and establishment.

An Ordinance to provide for the payment of workmen's compensation in certain industries will be enacted shortly.

The whole question of labour legislation is under review by a Standing Committee on Labour Questions, which was appointed in October, 1925, with the following terms of reference :—

- (1) To study and make recommendations for legislative and other official measures for the improvement of the conditions of persons engaged in industry and of the labouring classes generally in Palestine.
- (2) To consider and receive reports and advise as to the need for the amendment of existing legislation or the introduction of new legislation.

The Committee is authorised to call for reports and statistics on special subjects from Departments of the Government and also from non-Government associations and organizations, and possesses discretionary powers to summon before it or otherwise to consult representative members of labour and employers' organizations in Palestine, and other persons whose evidence or opinion may be required.

Cost of Living.—The cost of living index number calculated on the basis of retail prices rose by 4·4 per cent., and that calculated on wholesale prices rose by 7·2 per cent. as compared with the previous year.

Housing.—Early last year the housing crisis in towns was acute owing to lack of dwellings to accommodate the large numbers of new settlers. During the year, however, 5,742 permits to build were issued by municipalities, and the cost of the buildings constructed was approximately £E.2,007,237. As a result, rent restrictions were abolished and housing problems at present are practically non-existent, though rent continues to be high.

Commercial and Technical Education.—There are two Hebrew schools of commerce, one at Jaffa and the other at Jerusalem, a Jewish technical institute at Haifa, an agricultural school for women at Nahalal, and the Mikveh Israel agricultural school near Jaffa.

Research.—Pending the establishment of Government farms and experiment stations, small sections in the forest nurseries have been set aside for the testing of new varieties of wheat, barley, oats, etc., and the production of seed from approved types for general distribution.

The Palestine Zionist Executive and the Jewish Colonization Association have established experiment stations which carry on all sorts of investigations relating to the possibilities of agriculture and to plant diseases.

The geological adviser to Government investigates the mineral fields of the country, and the Biochemical Department of the Hebrew University of Jerusalem investigates local conditions as regards agriculture and industry.

APPENDIX I.

TRADE BALANCES OF PALESTINE (EXCLUDING SPECIE).

	1923.	1924.	1925.
	£E.	£E.	£E.
Imports	4,825,185	5,266,349	7,338,491
Exports	1,143,234	1,200,812	1,297,559
Re-exports	233,973	141,842	139,701
Total	1,377,207	1,342,654	1,437,260
Trade balance	3,447,978	3,923,695	5,901,231

APPENDIX II.

TABLE OF IMPORTS FOR 1925, AS COMPARED WITH 1923 AND 1924.

Imports of Merchandise, Specie and Imports in Transit.

	1923.	1924.	1925.
	£E.	£E.	£E.
Imports for consumption ..	4,825,185	5,266,349	7,338,491
Imports in transit	189,690	136,138	71,776
Imports of specie	110,080	187,222	193,656
Total import trade ..	5,124,955	5,589,709	7,603,923

Imports by Classes, excluding Specie.

	1923.	1924.	1925.
	£E.	£E.	£E.
Food, drink and tobacco ..	1,352,112	1,407,169	1,987,110
Raw materials and articles mainly unmanufactured ..	293,320	355,470	627,518
Articles wholly or mainly manu- factured	2,486,126	2,848,500	3,967,519
Miscellaneous and unclassified..	693,627	655,210	756,344
Total	4,825,185	5,266,349	7,338,491

APPENDIX II—*continued.*
Imports in Transit by Classes.

	1923.	1924.	1925.
	£E.	£E.	£E.
Food, drink and tobacco ..	47,518	30,884	17,676
Raw materials and articles mainly unmanufactured ..	11,923	22,047	2,130
Articles wholly or mainly manu- factured	129,598	83,132	51,843
Miscellaneous and unclassified..	641	75	127
Total	189,680	136,138	71,776

APPENDIX III.

COUNTRIES OF ORIGIN OF FOREIGN GOODS IMPORTED OF A VALUE OF
 £E.50,000 AND OVER DURING 1925, AND THEIR PERCENTAGE.

Country.	Value, £E.	Percentage.
United Kingdom	1,083,156	14·50
Other parts of the British Empire—		
Australia	284,676	3·50
British India	237,676	3·00
Europe—		
Austria	157,971	2·10
Belgium	214,288	3·00
Czechoslovakia	115,956	1·50
France	563,689	7·50
Germany	930,439	12·50
Greece	55,368	0·50
Holland	98,539	1·00
Italy	356,204	5·00
Poland	60,380	0·80
Roumania	319,641	4·50
Russia	72,805	1·00
Sweden	65,832	0·90
Yugoslavia	98,642	1·50
Africa—		
Egypt	375,169	5·50
Asia—		
Japan	89,815	1·00
Syria	1,017,903	14·50
Turkey	69,111	1·00
America—		
Brazil	50,512	0·60
United States	666,999	9·50
Total (all countries) ..	7,338,491	

APPENDIX IV.

TABLE OF EXPORTS OF 1925, AS COMPARED WITH 1923-24.

Exports of Palestinian Produce, Specie, Re-exports of Foreign Goods and Exports in Transit.

—	1923.	1924.	1925.
	£E.	£E.	£E.
Exports of Palestinian produce	1,143,234	1,200,812	1,297,559
Exports in transit*	45,415	61,002	48,752
Exports of specie	411,496	717,275	102,145
Re-export of foreign goods* ..	233,973	141,842	139,701
Total export trade† ..	1,834,118	2,120,931	1,588,157

* Excluding specie. † Excluding specie in transit or re-exported.

Exports of Palestinian Produce by Classes, excluding Specie.

—	1923.	1924.	1925.
	£E.	£E.	£E.
Food, drink and tobacco ..	835,109	838,003	882,234
Raw materials and articles mainly unmanufactured ..	52,549	93,769	66,858
Articles wholly or mainly manu- factured	251,646	258,635	300,128
Miscellaneous and unclassified..	3,930	10,405	48,339
Total	1,143,234	1,200,812	1,297,559

Exports in Transit.

—	1923.	1924.	1925.
	£E.	£E.	£E.
Food, drink and tobacco ..	13,137	12,884	14,212
Raw materials and articles mainly unmanufactured ..	1,759	258	95
Articles wholly or mainly manu- factured	27,764	45,379	31,664
Miscellaneous and unclassified..	2,755	2,481	2,781
Total	45,415	61,002	48,752

APPENDIX V.

COUNTRIES OF DESTINATION OF PALESTINIAN PRODUCE OF A VALUE OF £E.10,000 AND OVER, EXPORTED DURING 1925, AND THEIR PERCENTAGE.

Country.	Value. £E.	Percentage.
United Kingdom	443,774	34·10
Europe—		
France	22,932	1·80
Germany	20,190	1·50
Italy	11,968	0·95
Roumania	10,369	0·90
Africa—		
Egypt	577,277	44·50
Asia—		
Syria	158,102	12·50
America—		
United States of America ..	25,600	1·90
Total (all countries) ..	1,297,559	100·00

APPENDIX VI.

SHIPPING.

Foreign Trade.

The total number and tonnage of steam and sailing vessels entered and cleared in the foreign trade during 1925 were :—

	Steam.		Sailing.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
Entered ..	754	1,831,619	1,718	27,423	2,472	1,859,042
Cleared ..	744	1,798,870	1,728	28,034	2,472	1,826,904
Total ..	1,498	3,630,489	3,446	55,457	4,944	3,685,946

APPENDIX VI—*continued.**Coasting Trade.*

The total number and tonnage of steam and sailing vessels entered and cleared in the coasting trade during 1925 were :—

	Steam.		Sailing.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
Entered ..	453	904,485	473	5,198	926	909,683
Cleared ..	465	855,922	451	4,821	916	860,743
Total ..	918	1,760,407	924	10,019	1,842	1,770,426

There was an increase in the number and tonnage of steamers entered from foreign ports in 1925 as compared with 1924 of 149 and 502,044 respectively ; there was a decrease of 10 Belgian and 14 Dutch steamers and an increase of 30 British, 11 American, 26 French, 10 Greek, 46 Italian, 19 Russian, 6 Swedish and 9 Yugoslavian steamers.

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DEPARTMENT OF OVERSEAS TRADE.

Economic Conditions IN PALESTINE

July, 1931.

REPORT

BY

K. W. STEAD, O.B.E.,

Director of Customs, Excise and Trade, Haifa.



LONDON:

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B

DEPARTMENT OF OVERSEAS TRADE.

COMMERCIAL REPRESENTATION ABROAD.

To foster British overseas trade, the Department has developed and controls the following Services of Commercial Intelligence Officers :—

1. IN THE EMPIRE.

The Trade Commissioner and Imperial Trade Correspondent Services.

At the present time there are 17 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg) ; three in South Africa (Capetown, Durban and Johannesburg) ; two in Australia (Sydney, Melbourne), India (Calcutta and Bombay—to cover also Ceylon), and British West Indies (Trinidad, Jamaica) ; and one each in New Zealand (Wellington), Irish Free State (Dublin), British East Africa (Nairobi), and Malaya (Singapore).

The Trade Commissioners have the assistance of Imperial Trade Correspondents at a number of important centres.

In various parts of the Empire in which at present there are no Commissioners, there are Correspondents with whom the Department deals direct.

2. IN FOREIGN COUNTRIES.

(a) The Commercial Diplomatic Service attached to the British Diplomatic Missions.

This service consists of 44 officers who are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled " Commercial Counsellors " in the highest grade, and " Commercial Secretaries " in the two lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular officers in his area and, with the co-operation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

(b) The British Consular Service.

Particular attention has been given to the commercial side of consular work since the reorganisation of the service. In certain countries where no Commercial Diplomatic Officer is stationed the senior Consular Officer undertakes duties of a similar character.

Further information regarding the above services can be obtained on application to the Department of Overseas Trade, 35, Old Queen Street, London, S.W.1.

The present report has been compiled by Mr. K. W. Stead, O.B.E., by courtesy of the Government of Palestine.

Members of British firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's officers.

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects those of the Department.

Ref. revenue
Int. Cons. B. 6.
Sathar
12-1-31

TABLE OF CONTENTS.

	PAGE
COMMERCIAL SUMMARY	5
HINTS FOR COMMERCIAL VISITORS	7
I.—GENERAL SURVEY	8
II.—FINANCE :—	
Revenue and Expenditure	9
Public Debt	10
Palestine Currency	12
Banking... ..	12
III.—TRADE :—	
Balance of Trade	13
Methods of Business	13
The Co-operative Movement	14
Trade Organisation	14
Imports	15
British Share in Palestine's Foreign Trade	17
Trade with Foreign Countries... ..	18
Exports	20
IV.—INDUSTRY AND PRODUCTION :—	
General	20
Electric Power	21
Mineral Salts	22
The Oil and Soap Industry	22
The Tobacco Industry	23
Wine and Spirits	23
Cement Manufacture	23
Salt Production... ..	23
Textile Industries	23
Artificial Teeth	24
Match Manufacture	24
Leather Manufacture	24
Motor Car Bodies	24
Metal Works	24
Printing and Stationery	24
Furniture Making	24
Boots and Shoes	24
Confectionery and Sweets	25
Flour Mills	25
Cold Storage	25
Building	25
Miscellaneous	25
Agriculture	25

	PAGE
IV.—INDUSTRY AND PRODUCTION— <i>continued.</i>	
Cereals	26
Oranges	26
Water Melons	27
Enumeration of Animals	27
Bee-keeping	27
Fishing Industry	27
Tourist Traffic	27
V.—TRANSPORT, COMMUNICATIONS AND PUBLIC WORKS :—	
Shipping	28
Palestine Railways	28
Motor Transport	29
Air Navigation	29
Posts, Telegraphs and Telephones	29
Public Works	30
Present and Future Development of Haifa	31
VI.—MINERAL RESOURCES :—	
Minerals	33
Mining	35
VII.—SOCIAL QUESTIONS :—	
Labour	35
Unemployment	36
Wages and Hours of Work	36
Industrial Disputes	37
Protection of Labour	37
Migration	37
Commercial and Technical Education	38
Research	38
VIII.—LEGISLATION	38
APPENDICES :—	
I.—Trade Balance of Palestine for the Years 1928, 1929 and 1930	40
II.—Imports during the Years 1928, 1929 and 1930	40
III.—Countries of Consignment of Imports, 1929 and 1930	41
IV.—Exports during the Years 1928, 1929 and 1930	42
V.—Countries of Destination of Exports during 1929 and 1930	43
VI.—Shipping	44
VII.—Chronological Table of Ordinances	45
VIII.—List of International Conventions and Commercial Treaties to which Palestine has adhered	47

COMMERCIAL SUMMARY.

Area.—About 10,000 square miles, Trans-Jordan excepted.

Population.—(June 30th, 1930) 843,132. (Bedouin nomads excluded.)

Immigration.—(1930) 6,433.

Languages.—English, Arabic and Hebrew are the three official languages, Catalogues and commercial correspondence may be in English, Arabic or Hebrew. French and German are also largely in use in commercial circles.

Monetary Unit.—The Palestine currency is legal tender. £P1. (Palestine Pound)=1,000 mils=£1.

Weights and Measures.—The metric system is used by the Government and the commercial community.

Total value of Imports (merchandise only), year 1930.—£P.6,985,258.
From—£P.

<i>United Kingdom</i> (cotton piece goods, coal, iron and steel manufactures, wearing apparel, woollen goods, motor cars and machinery, and wearing apparel)	1,163,619
<i>Syria</i> (cotton piece goods, confectionery, animals, foodstuffs, and wearing apparel)	1,035,411
<i>Germany</i> (machinery, iron and steel manufactures, electrical materials and building materials)	762,073
<i>United States</i> (flour, motor cars and machinery)	358,528
<i>France</i> (silk tissues, wearing apparel, confectionery and chocolates, perfumery and leather)	288,348
<i>Egypt</i> (rice, sugar, hosiery, cotton-seed oil, flour, kerosene and benzine)	1,591,355
<i>Italy</i> (cotton piece goods and wearing apparel)... ..	247,789

Principal Imports (1930).—

	£P.
Wheat flour, etc.	178,329
Sugar	121,504
Wood and timber for building and furniture	182,856
Cotton piece goods	478,545
Motor cars	161,485
Rice	127,941
Olive oil, unrefined	29,749
Kerosene	185,296
Benzine and other motor spirits	227,308
Cigarettes	16,329
Machinery	257,363
Wood prepared for orange cases	128,246
Coffee	43,427
Tobacco leaves	24,754
Rubber tyres and tubes	47,994

Total value of Exports (domestic, merchandise only, 1930).—£P.1,896,095.

Principal Exports, (1930).—

	£P.
Laundry soap	204,876
Oranges	907,143
Water melons and melons	83,625
Barley	55,749
Durrah and maize	151,716

							£P.
Cement	...	...	...	...	...	...	28,702
Mother of pearl beads and rosaries	...	...	...	...	...	...	11,513
Wool	...	...	...	...	...	...	4,909
Wine	...	...	...	...	...	...	31,411
Almonds	...	...	...	...	...	...	27,670
Sesame	...	...	...	...	...	...	36,222
Hides and skins	...	...	...	...	...	...	28,151

To:—

							£P.
<i>Egypt</i> (water melons, oranges, laundry soap, wine, animals)	...	...	...	...	...	...	395,494
<i>United Kingdom</i> (oranges, wine, curios and articles of piety)	...	...	...	...	...	...	702,664
<i>Syria</i> (water melons, laundry soap, sesame, wheat, wine and skins)	...	...	...	...	...	...	210,342

Railway Kilometrage (1930).—1,200,854 kilometres. The Kantara-Rafa section, known as the "Sinai Military Railway" (223,396 kilometres), is operated by the Palestine Railways on behalf of the Air Ministry.

HINTS FOR COMMERCIAL VISITORS.

Commercial travellers are not subject to any special tax in Palestine.

Buying Seasons.—There are two main buying seasons, namely, the times when orders are placed for winter and for summer goods. A commercial traveller should therefore visit Palestine three to four months in advance of the season when his goods are usually consumed, to enable the orders placed with him to be executed in good time. The months of February-April are best for the summer trade and the months of September-November for the winter trade.

A note on the buying seasons of Palestine, etc., published by the Department of Overseas Trade may be consulted at the offices of that Department.

Climate.—There are no climatic obstacles to visiting Palestine at any period of the year, the winter being temperate and the heat in summer bearable. The coldest months are January and February, and the hottest July, August and September. English clothing should be worn in winter and light tropical clothing in summer.

Passports and Visa Regulations.—Travellers must be in possession of passports duly visé for Palestine, when they are permitted to remain in the country for three months. An extension may be obtained upon application to the Chief Immigration Officer, Jerusalem.

British Consuls issue visas for Palestine.

Communications.—Palestine is connected with Egypt by a broad gauge railway. It takes from 12 to 16 hours to reach the principal towns from any important centre in Egypt. Well kept roads, in many cases asphalted, exist throughout the country and connect Palestine with Syria which can be reached in 4 hours from Haifa by motor car.

There is a weekly direct steamship service to Trieste and there are regular services between Jaffa and Haifa and various ports in Europe and America.

The railway fares between Egypt and Palestine are :—

	1st class	2nd class	3rd class	Sleeping car
	£P.mils.	£P.mils.	£P.mils.	£P.mils.
Cairo-Jerusalem	4·505	2·845	1·400	—
Port Said-Jerusalem	3·675	2·445	1·205	—
Alexandria-Jerusalem	4·995	3·080	1·525	—
Kantara-Jerusalem	3·345	2·285	1·215	1·250

There is ample motor transport available at low rates. A whole car can be hired for 4d. a kilometre.

Hotel Accommodation.—Comfortable hotels with moderate tariffs are to be found in Jerusalem, Jaffa, Tel-Aviv and Haifa. The rates vary from £P.1 a day in summer to £P.1 10s. in the tourist season, February to April.

Customs Treatment of Samples.—Trade samples imported by commercial travellers must be declared to the customs in writing showing the kind and value of each article. A deposit equivalent to the amount of the customs duty due thereon is collected by the customs authorities at the place of entry. If the samples are re-exported within a period of six months from the date of their arrival, the deposit is refunded less the amount of customs duty on any articles which may not have been re-exported. The presentation of the original list of samples and customs receipts at the time of re-exportation is necessary.

Holidays.—The principal Christian, Moslem and Jewish holidays are observed by all banks. Jewish banks and merchants' offices are closed on Saturdays.

REPORT on the ECONOMIC CONDITIONS in PALESTINE

(*July, 1931*).

I. GENERAL SURVEY.

Since the publication in 1927 of the last Report on the Economic and Financial situation of Palestine by the Department of Overseas Trade, several outstanding events have occurred which have affected the economic conditions of the country.

An economic crisis in 1927 was followed by a trade revival in 1928, and the year 1929 promised further progress favoured as it was by good climatic conditions and intensive planting of orange groves, industrial activity and fresh investments of foreign capital.

The disturbances of August, 1929, however, resulted in a general setback from which the country is still suffering.

A Parliamentary Commission of inquiry inquired into the immediate causes which led to the disturbances of August, 1929, and issued a report in 1930, making recommendations as to the steps necessary to avoid a recurrence.

An expert, Sir John Hope Simpson, C.I.E., was appointed by the Secretary of State for the Colonies to examine on the spot the questions of immigration, land settlement and development. His report was published in 1930.

A Commission was appointed by the Secretary of State early in 1931 to conduct an investigation into the revenue, expenditure and general organisation of the Palestine Administration.

Palestine has suffered from the general fall in prices, particularly as regards cereals and vegetable oils, to the lowest level since the war.

Owing to the financial crisis in the United States and in Europe, the influx of foreign capital in the form of contributions to the various local institutions, investments by Jews in agriculture and industry and the expenditure by tourists decreased considerably.

The plentiful harvest of cereals and olives of the 1929/30 seasons caused additional difficulties to the trading community and in particular to the peasants who could not dispose of their products at remunerative prices.

At present capital is still short and it is difficult to obtain credits.

A number of firms failed in some cases for considerable amounts. Progress, however, is being made in certain respects. The country's exports are slowly increasing; an indication of the development in agriculture and industry.

The orange season 1930/31 was satisfactory as to quantities shipped and prices realised abroad.

The construction of a harbour at Haifa, the survey of the Haifa-Baghdad Railway, the schemes for the extraction of mineral salts from the Dead Sea, are all progressing rapidly.

II. FINANCE.

Revenue and Expenditure.—The revenue and expenditure of the Government for the last six financial years was as follows:—

Period.					Revenue.	Expenditure.
					£P.	£P.
1925-26	...	...	...	...	2,809,324	2,092,647
1926-27	...	...	...	...	2,451,365	2,123,568
1927 (1st April to 31st December)	...	...	...	...	1,739,380	1,944,397
1928 (calendar year)	...	...	...	...	2,584,317	3,381,993
1929	..	..	...	...	2,323,572	2,140,032
1930	..	..	...	...	2,389,546	2,536,505

Comparative Statement of Revenue and Expenditure, 1929-1930:—

Heads of Revenue.					Year 1929 £P.	Year 1930 £P.
Balance on 1st January	...	...	...	...	52,521	26,924
Customs	...	...	...	...	917,050	991,688
Port and marine	...	...	...	...	8,677	9,703
Licences, taxes, etc.	...	...	...	...	761,823	740,664
Fees of court or office receipts for specific services and reimbursements	...	...	...	...	230,844	248,371
Posts and Telegraphs	...	...	...	...	207,288	220,384
Revenue from Government property	...	...	...	...	16,541	14,613
Interest	...	...	...	...	104,207	87,485
Miscellaneous	...	...	...	...	16,650	28,465
Land sales	...	...	...	...	6,774	6,887
					2,269,854	2,348,260
Railways (excess of revenue over expenditure)					29,195	—
					2,299,049	2,348,260
Grant-in-aid	...	...	...	...	24,523	41,286
					2,323,572	2,389,546
Loan account	...	...	...	...	300	4,754
Advances	...	...	...	...	1,633,856	1,518,046
Deposits	...	...	...	...	1,918,430	1,928,248
Imprests	...	...	...	...	204,995	280,790
Investments	...	...	...	...	3,145,130	1,299,290
Unallocated stores	...	...	...	...	155,331	41,120
					9,381,614	7,461,794
Total (including opening balance)	...	...	...	...	9,434,135	7,488,718

Heads of Expenditure.						1929	1930
						£P.	£P.
Pensions	...	...	...	...	...	17,797	16,829
Public Debt and Loan Charges	...	...	...	...	...	100,910	112,609
His Excellency the High Commissioner	...	...	...	...	...	8,739	7,211
Secretariat	...	...	...	...	...	19,534	21,330
District Administration	...	...	...	...	...	88,527	89,590
Legal Department	...	...	...	...	...	8,959	8,578
Judicial Department	...	...	...	...	...	80,598	82,562
Treasury	...	...	...	...	...	16,090	15,579
Audit Department	...	...	...	...	...	8,652	9,034
Customs, Excise and Trade	...	...	...	...	...	66,803	71,153
Department of Health	...	...	...	...	...	101,864	105,481
" Education	...	...	...	...	...	139,790	143,555
" Agriculture and Forests	...	...	...	...	...	76,714	102,518
Antiquities Department	...	...	...	...	...	7,083	7,239
Land Settlement	...	...	...	...	...	20,355	21,280
Lands Department	...	...	...	...	...	18,037	17,369
Survey Department	...	...	...	...	...	39,245	42,206
Police and Prisons	...	...	...	...	...	376,060	475,851
Trans-Jordan Frontier Force	...	...	...	...	...	140,562	209,212
Defence	...	...	...	...	...	37,070	109,675
Posts and Telegraphs	...	...	...	...	...	141,206	147,338
Public Works Department	...	...	...	...	...	40,261	48,662
Public Works Recurrent	...	...	...	...	...	145,996	164,649
Miscellaneous	...	...	...	...	...	289,896	268,768
						<hr/>	<hr/>
						1,990,748	2,298,278
Posts and Telegraphs Extraordinary	...	...	...	...	...	25,978	26,096
Public Works Extraordinary	...	...	...	...	...	114,690	169,671
Trans-Jordan Frontier Force Extraordinary	...	...	...	...	...	8,616	22,868
						<hr/>	<hr/>
						2,140,032	2,516,913
Railways (excess of Expenditure over Revenue)	...	...	...	...	...	—	19,592
						<hr/>	<hr/>
						2,140,032	2,536,505
Loan Account	...	...	...	...	...	107,153	240,639
Advances	...	...	...	...	...	1,591,931	1,379,417
Deposits	...	...	...	...	...	2,010,115	1,973,628
Imprests	...	...	...	...	...	205,949	279,121
Investments	...	...	...	...	...	3,309,989	971,556
Unallocated Stores	...	...	...	...	...	42,042	43,106
Balance on 31st December	...	...	...	...	...	26,924	64,746
						<hr/>	<hr/>
						9,434,135	7,488,718
						<hr/>	<hr/>

As can be seen from the above figures the principal source of Revenue is Customs Import Duties and Licences, Taxes and other fees. Customs Import Duties alone formed 39·8 per cent. of the total revenue in 1929 and 42·23 per cent. in 1930.

The Customs Tariff which until 1927 was on an *ad valorem* basis has been largely replaced by a specific tariff which eliminates the possibility of fraud.

Public Debt.—*Ottoman Public Debt.*—The amount due by Palestine as its share in the Ottoman Public Debt has been settled.

Agricultural Loans.—The balance of the advance of £P.576,319 made by the Anglo-Egyptian Bank, Ltd., now Barclays Bank (Dominion, Colonial and Overseas), Ltd., for loans to cultivators, was repaid by Government to the bank in 1928 and the outstanding balance due at 31st December, 1930, by the cultivators to the Government in respect of these loans was £P.41,553.

Further agricultural loans have been issued subsequently amounting to £P.56,951, of which £P.31,935 was outstanding at the 31st December, 1930.

Palestine Loan.—A loan of £P.4,500,000 was raised and fully subscribed in England in 1927.

The principal and interest on this loan are guaranteed by the British Treasury under the "Palestine and East Africa Loans Act, 1926."

The principal money and interest secured by stocks and bonds and all sinking funds payments are charged and payable out of the general revenues and assets of Palestine.

The sum borrowed was destined to be spent as follows :—

	£P.
Railways	1,640,000
Purchase of railways and other capital assets from H.M. Government	1,000,000
Harbour construction and port improvements	1,115,000
Public buildings, telegraphs and telephones, surveys, minor works of development and purposes incidental to or connected with the raising of the loan, etc.	745,000
	<u>4,500,000</u>

The loan account at the 31st December, 1930, was as follows :—

RECEIPTS.			
Proceeds of 5 per cent. Loan at £P4,475,000		£P.	
Stock issued at £100 10s. per cent. ...		4,497,375	
Revised allocation of Loan subject to approval by the Secretary of State :—			
Item I.			
	Railways.	£P.	£P.
1. Railway workshops... ..	241,277		
2. Other railway works	1,394,634		
3. Unallocated	4,089		
Item II.			1,640,000
Purchase of railway and other capital assets from H.M. Government ...			1,000,000
Item III.			
Harbour construction and Ports improvements—			
1. Jaffa Port Improvements	101,000		
2. Haifa Harbour Construction	1,250,000		
Item IV.			1,351,000
Telegraphs and Telephones	188,231		
Government Offices and Construction and Equipment of Printing Office ...	197,841		
Cost of raising Loan	120,303		
		506,375	
		<u>4,497,375</u>	

EXPENDITURE.

Item I.

Railways—	£P.	£P.
1. Railway workshops	137,759	
2. Other railway works (completed)	1,394,513	
		1,532,272

Item II.

Purchase of railway and other capital assets from H.M. Government	1,000,000
---	-----------

Item III.

Harbour Construction and Port Improvements—	
1. Jaffa Port Improvements	63,947
2. Haifa Harbour Construction	309,870
	373,817

Item IV.

Telegraphs and Telephones	187,965
Government Buildings: Acquisition of site	21,300
Cost of raising Loan	120,302
	329,567

Balance	3,235,656
	1,261,719
	4,497,375

Palestine Currency.—On the 1st of November, 1927, the Egyptian currency which was legal tender in Palestine since the Occupation, was replaced by a special currency of coin and notes issued on behalf of the Palestine Government by the Palestine Currency Board, appointed for the purpose by the Secretary of State for the Colonies.

The Palestine Pound is equal in value to the British Pound Sterling and is divided into 1,000 mils.

The notes are for 500 mils, £P.1, £P.5, £P.10, £P.50 and £P.100. The coins are for 1 mil and 2 mils (bronze); 5 mils, 10 mils and 20 mils (nickel bronze perforated); 50 mils and 100 mils (silver). Each coin and each note have their denomination or value written on their face in English, Arabic and Hebrew.

Coins and notes in circulation in April, 1931, amounted to a value of £P.2,369,664, of which £P.2,085,328 was in paper notes and £P.284,336 in coins.

The principal object of the establishment of the Palestine currency, which is linked with the pound sterling and guaranteed by the Palestine Government, was to provide a satisfactory currency for Palestine and at the same time to secure for the Administration the legitimate revenues from the currency circulating in the country, the whole of its net income being paid over to Government revenue.

Banking.—There are a number of banks established in Palestine, the principal is Barclays Bank (Dominion, Colonial and Overseas), Ltd., which acts as banking agent to the Government.

The Bank has branches at Jerusalem, Jaffa, Tel-Aviv, Haifa, Gaza, Acre, Nazareth and Nablus.

The Ottoman Bank has branches in Jerusalem, Jaffa, Haifa and Nablus.

The Anglo Palestine Bank, Ltd., has branches in Jerusalem, Jaffa, Tel-Aviv, Haifa, Tiberias and Safad.

The Banco di Roma has branches in Jerusalem, Jaffa, Tel-Aviv and Haifa.

There is also a Jewish Workers Bank, a Central Bank of Co-operative Institutions, Ltd., a Mortgage and Credit Bank, Ltd., an Arab Bank and a number of smaller banks and saving institutions.

All banks grant short term commercial credits but the need for the grant of long term rural and urban credits at a low rate of interest is greatly felt.

Very small amounts are advanced by the Mortgage and Credit Bank and the Palestine Corporation as long term loans for building and the planting of orange groves.

The legal rate of interest is 9 per cent.; this is, however, much lower than the actual rates charged by money lenders which very often exceed 25 per cent., especially with peasants.

The charge for accommodation on good security varies between 12 and 15 per cent.

On the other hand, owing to the present trade depression, the rate of interest paid on deposits has been reduced to about $1\frac{1}{2}$ per cent.

III. TRADE.

Balance of Trade.—The adverse balance, as shown in Appendix I, does not indicate the actual economic condition of the country as the invisible imports of Palestine usually cover and exceed the disbursements made and appearing in the foreign trade balance.

The invisible imports are numerous, the principal items being the expenditure of Zionist funds, money spent by the tourists, contributions to religious and relief missions, immigrants' capital, re-exports to Trans-Jordan and Syria, investments by foreign companies and remittances by Palestinians residing abroad.

The economic condition of Palestine, therefore, depends largely upon the regularity and amount of the above-mentioned sources of revenue.

Since 1929 the income from these invisible items has decreased considerably, owing to the financial crisis prevailing in the United States, which is one of the principal sources of the funds specified above.

Methods of Business.—Very few Palestinian firms are in a position to send representatives abroad to purchase the goods they require, and therefore the largest share of business is in the hands of commission agents. A number of the latter are old-established

firms of good reputation, but the majority have only commenced business within the last few years.

Credit is the basis of nearly all business in Palestine, and although this involves a certain risk it is almost impossible for British firms to compete successfully with foreign manufacturers, unless credit facilities are granted.

The capital of local firms being usually small it is difficult if not impossible for them to pay cash with orders or often even against documents.

British firms can consult a memorandum on the appointment of Agents in Palestine, published in 1931 by the Department of Overseas Trade (Reference No. C.3466).

A number of merchants in certain trades such as dry goods, cotton piece goods, &c., pay visits to Egypt or Syria and buy their stocks there, but there are a few merchants who have direct connections with manufacturers or merchants abroad.

The number of companies and partnerships is increasing considerably. The registration of 144 new partnerships, 31 Palestinian companies and 11 foreign companies was published in the Official Gazette in 1930. The capital of new local companies exceeds £P.206,600, a considerable decrease, however, when compared with £P.770,000, the capital of the Palestinian companies registered in 1929.

The Co-operative Movement.—Jewish immigrants from Central Europe introduced the Co-operative movement into Palestine after the War. It has developed considerably amongst the Jews and there are agricultural, industrial and commercial co-operative societies. The total number registered until the end of 1930 was 277, embracing several thousands of members engaged in agriculture or trade.

The Central Bank of Co-operative Institutions controls all co-operative societies which are financed by them and the activities of this institution are increasing yearly. During the last eight years the Central Bank has advanced £P.854,943 in short term credits, and a sum of £P.82,739 in intermediate and long term credits.

The Secretary of State for the Colonies appointed Mr. C. F. Strickland of the Indian Civil Service "to study the economic position of the fellahin and to instruct the officers of the District Administration and the fellahin (Arab peasants) as to the objects and methods of the working of co-operative Credit Societies." Mr. Strickland's report was published in 1930 and contains detailed recommendations regarding the promotion of the co-operative movement amongst the Arabs of Palestine.

Trade Organisation.—There are a number of Chambers of Commerce in the principal cities. With the exception of Jerusalem all Chambers of Commerce are composed of either Arab or Jewish members. The Jerusalem Chamber is composed of members of all nationalities.

Traders' associations exist in the smaller towns and specific Trade Unions are developing amongst the Jewish population. In addition there is an Italian Chamber in Jerusalem and a Polish one in Tel-Aviv.

Jewish manufacturers and agriculturists are organised in a Manufacturers' Association and in an Agricultural Association respectively, and both Associations are active in promoting the interests of their members.

The principal Chambers of Commerce and Trade Associations issue special periodicals in either Arabic or Hebrew, and some of them also in English, and they are in close touch with the Government on questions regarding their respective interests and of trade in general.

Imports.—The total value of imports of merchandise for home consumption in 1930 amounted to £P.6,985,258 as compared with £P.7,166,593 in 1929, showing a decrease of £P.181,335.

This decrease was due to the prevailing trade depression which forced local merchants to reduce their orders on account of the lowered purchasing power of the population and to a general fall in prices of all commodities.

A number of articles, however, showed slight increases in the quantities imported.

The principal decreases were in foodstuffs; the decrease amounted to £P.518,149 as compared with the imports in 1929. Imports of wheat, wheat flour, sesame seed, rice and sugar decreased appreciably.

There was also a decrease in the imports of raw materials, which amounted to £P.122,980, chiefly in respect of imports of unrefined olive oil for the manufacture of soap.

Owing to the plentiful crops in Palestine of cereals and olive oil, the Government restricted the importation of wheat and flour and prohibited the importation of unrefined olive oil as from the 1st August, 1930, which explains the considerable decrease in the imports of these commodities.

There was an increase in the imports of certain manufactured and unclassified goods amounting to £P.459,794, chiefly in respect of cotton piece goods, woollen tissues, silk tissues, kerosene and benzine. The imports of kerosene and benzine increased on account of the growing use of these fuels in motor transport, agriculture for irrigation plants and in industry.

The countries which shared in the decrease in the value of imports during 1930 were, in order of importance, Egypt, France, United States, Italy, Syria and Russia.

Imports in 1930 as compared with imports in 1929 were distributed in the following percentages amongst countries consigning goods :—

				Percentage total imports, 1930.	Percentage total imports, 1929.
Egypt ... ..	...	...	...	22.78	24.86
United Kingdom	...	...	...	16.66	14.11
Syria ... ..	...	...	...	14.82	14.73
Italy ... ..	...	...	...	3.55	3.96
Germany ... ..	...	...	...	10.91	10.37
United States ...	...	...	...	5.13	5.52
France ... ..	...	...	...	4.13	6.49
Roumania ... ..	...	...	...	3.54	2.64
Other countries	...	...	...	18.48	17.32
				100.00	100.00

Textiles.—There was an increase in the imports of textile goods in 1930 as compared with imports during the previous year, summarised as follows :—

		Cotton piece goods.	Woollen tissues wholly of wool and mixed.	Silk tissues wholly of silk and mixed and artificial.
		£P.	£P.	£P.
1930 ... ..	...	478,545	150,185	182,144
1929 ... ..	...	422,940	126,147	133,385
Increase over 1929	...	55,605	24,038	48,759

The countries consigning these goods were :—

Countries consigned from.	Cotton piece goods.	Woollen tissues wholly of wool and mixed.	Silk tissues wholly of silk and mixed. and artificial.
	£P.	£P.	£P.
Syria	140,203	42,879	88,327
Egypt	114,459	2,940	5,725
United Kingdom ...	91,472	38,200	7,070
Italy	66,379	6,679	8,644
France	3,447	22,297	38,576
Czechoslovakia ...	15,303	12,973	5,001
Belgium	10,273	4,225	301
Other countries ...	37,009	19,992	28,500
	478,545	150,185	182,144

Imports of other textile goods are insignificant.

Although Syria and Egypt head the list, textile goods imported from these countries are not all of Syrian origin, and imports from Egypt are largely imports of Japanese cotton piece goods dyed in the yarn (drills) and cabots.

The United Kingdom ranks first, therefore, as regards direct imports of textile goods, but very severe competition is now experienced from Continental cotton prints and Japanese drills which are entirely eliminating from the market similar goods from other countries. The price of Continental cotton prints is usually cheaper than the English articles and it is difficult, if not impossible, to compete with the price and quality of Japanese drills and greys.

British cotton piece goods, bleached still maintain their position, but Japan and Italy are introducing their makes in the local market.

Silk goods are chiefly imported from Syria and France; Czechoslovakia is the principal competitor in artificial silk goods.

Palestine is a poor country and cheap articles of fairly good quality are in most demand.

Machinery.—Until 1929 Germany held the premier position amongst countries exporting machinery to Palestine but, with the establishment of industries in which British capital is invested, the imports of machinery from the United Kingdom have increased and in 1930 it gained the first place in the list, exceeding the total imports from all other countries as follows :—

Country.	Value of imports of machinery.		
	1928 £P.	1929 £P.	1930 £P.
United Kingdom	42,235	88,710	131,492
Germany	74,029	96,530	74,645
United States	6,293	10,731	20,295
Other countries	31,008	35,008	30,931
Total	153,565	230,979	257,363

Internal combustion engines and electrical machinery formed the bulk of the imports from the United Kingdom. Imports of concrete mixers and agricultural machinery are also increasing.

Coal.—Some 80,000 tons of coal are imported annually, of which about 30,000 tons are imported by the Palestine Railways and the rest by a cement factory and for the trade in general.

All coal imported comes from the United Kingdom with the exception of about one thousand tons only which comes from Germany and Belgium.

Cinematograph Films.—Films shown are usually of American origin. With the recent introduction of the " Talking " films Austrian and German films are also being shown. Very few British films are exhibited, and no British film companies are represented locally. Considerable sums of money are paid for the rent of cinema films.

British Share In Palestine's Foreign Trade.—Imports from the United Kingdom during 1930 amounted to £P.1,163,619,

an increase over 1929 of £P.152,537. Industrial machinery, cotton piece goods bleached, woollen tissues, motor cars and Government stores were responsible for this increase.

The principal articles imported from the United Kingdom in 1930 were cotton piece goods, bleached, £P.48,502; cotton piece goods, dyed, £P.36,418; woollen tissues, £P.38,200; silk tissues, £P.7,070; boots and shoes, £P.5,611; stockings, £P.5,580; outer garments, £P.10,601; knitted apparel, £P.6,262; undergarments, £P.4,281; coal, other than coal for use by the Government railways, £P.45,578; galvanised iron sheets, £P.13,902; machinery, £P.131,492; chemical fertilisers, £P.19,041; electrical goods, £P.48,064; Government stores, £P.329,872; military stores, £P.20,187.

The above-mentioned goods were consigned direct from British ports to Palestine, but the actual value of British goods imported is higher, as a portion of the imports from Egypt and Syria is of British origin bought by local merchants in those countries.

As it is, the United Kingdom ranks second in the list of countries supplying goods to Palestine, and its share in the total imports is gradually increasing.

The total imports from other parts of the British Empire amounted in 1930 to £P.119,462, a decrease as compared with 1929 of £P.2,914 caused by smaller imports of wheat flour.

Trade With Foreign Countries.—The principal countries exporting to Palestine apart from the United Kingdom are, in order of importance, Egypt, Syria, Germany, United States, France, Italy and Roumania.

Egypt ranks first in the list of countries exporting to Palestine with £P.1,591,355, total value of goods supplied during 1930 as against £P.1,781,620, value of goods supplied in 1929. Goods imported from Egypt, however, are not all of Egyptian origin, but the foreign trade statistics of Palestine are kept on the principle of "countries whence consigned."

Egypt being easily reached from Palestine, with which it is connected by railway, local merchants buy considerable stocks of goods in that country or receive them in transit via Egypt. The largest share of the imports from Egypt are, therefore, foreign imports in transit via Egypt, or foreign goods purchased in the Egyptian market.

It is estimated that not more than 10 per cent. of all imports from Egypt are goods produced or manufactured there. Rice, hides and skins, ground nuts, cotton raw, fish, milk products and vegetables of Egyptian origin are imported.

Syria ranks third in the list of countries trading with Palestine with £P.1,035,411 total value of goods supplied in 1930 as compared with £P.1,055,611 supplied in 1929.

Syria has its boundaries in the north of Palestine. A customs agreement exempts from customs import duty all goods produced or manufactured in either country when imported into the territory of the other.

Beirut and Damascus are old and established entrepôts of the Near East and many local merchants prefer to purchase their stocks of foreign goods in Syria; the remarks made in connection with the Egyptian trade also apply to the imports from Syria into Palestine, though the share of goods actually of Syrian origin is far higher than in the case of Egypt. It is estimated that some 70 per cent. of the total imports from that country are actually of Syrian and only 30 per cent. of foreign origin.

The principal articles imported in 1930 from Syria were sheep and goats, £P.98,291; camels, £P.97,977, of Syrian and foreign origin; confectionery, £P.33,830; olive oil, unrefined, £P.25,695; and boots and shoes, £P.25,709, all of Syrian origin. Cotton piece goods, dyed, £P.112,890; woollen tissues, £P.42,879; silk tissues, £P.88,327; and native headgear, £P.24,323, were imported in 1930, of Syrian and foreign origin.

The proximity of these markets and the fact that Syria and Palestine were formerly one territory, facilitates trade between the two countries, and the Palestinian merchant obtains better credit terms in Syria, where he is known, than in other countries.

Germany ranks fourth in the list of countries supplying goods to Palestine, and the total value of goods imported direct from that country during 1930 amounted to £P.762,073 as compared with £P.743,653 imported in 1929. This slight increase was due to an increase in the imports of manufactured goods which form the principal description of German imports into Palestine.

The chief imports from Germany in 1930 were :—

	£P.
Industrial machinery	74,645
Electrical goods	30,000
Iron tubes and fittings... ..	51,589
Iron bars	26,698
Iron girders	14,424
Drugs and medicines	23,188

United States, which ranks fifth in the list, supplied to Palestine in 1930 motor cars to the value of £P.106,183, rubber tyres and tubes, £P.27,333; machinery, £P.20,295; and wheat flour, £P.49,324.

The total imports from the United States in 1930 amounted to £P.358,528, a decrease as compared with 1929 of £P.37,405, due to the restriction imposed in the import of flour and the fall in prices.

France comes next with a total value of imports into Palestine in 1930 of £P.288,348 as against £P.465,148 in 1929. This considerable decrease in the imports of French goods was due to the restriction in the imports of wheat and wheat flour imposed in August,

1930. Woollen tissues of a value of £P.22,297; silk tissues, £P.38,576; drugs, £P.7,983; and potatoes, £P.7,978, were imported in 1930.

Italy supplied goods valued at £P.247,789 in 1930 as compared with £P.284,388 in the previous year. Textile goods form the major part of the Italian exports to Palestine: cotton piece goods, bleached, £P.6,470; cotton piece goods, dyed, £P.59,061; woollen tissues, £P.6,679; silk tissues, £P.8,644; cotton yarns, £P.17,708; and woollen yarns, £P.8,539.

Roumania supplied to Palestine wood prepared for orange cases of a total value of £P.82,819, wood and timber for building, £P.104,310 and kerosene, £P.16,028. The total imports from Roumania amounted to £P.247,221 in 1930, an increase over 1929 of £P.57,946, due chiefly to increased imports of wood for orange cases and for building.

Exports.—The total value of the exports of Palestine products in 1930 amounted to £P.1,896,095 as compared with £P.1,554,262 in 1929. The increase of £P.341,833 was in respect of increased exports of oranges and cereals and, to a smaller extent, to increased exports of goods manufactured locally.

Oranges, laundry soap, cereals, water melons and wine are the staple exports, and the United Kingdom is the principal market consuming Palestine oranges. 37·07 per cent. of the total exports from Palestine go to the United Kingdom, 20·85 per cent. to Egypt, 11·09 per cent. to Syria, 10·72 per cent. to Germany, and 20·27 per cent. to other countries.

Of industries recently established, cement, stockings, artificial teeth and fancy leather goods show increased exports. Artificial teeth of local manufacture are chiefly exported to the United Kingdom, cement and stockings to Syria.

IV. INDUSTRY AND PRODUCTION.

General.—Before the war Palestine was a purely agricultural country and such industries as existed were of an agricultural character. Soap manufactured from olive oil in a primitive way, and wine, were the only industries established on a large scale.

After the war Jewish immigrants arrived with industrial experience and capital, and considerable progress was made in the establishment of a number of small factories producing a variety of articles, and a few large factories for the manufacture of cement, vegetable oils, soap, flour, stockings, &c.

A voluntary census of industries taken by the Department of Customs, Excise and Trade in May, 1928, showed that there were at that time 3,505 industrial establishments, factories and workshops, of which 2,429 worked by manual labour, 583 used motor power and 493 (olive and sesame oil presses) used animal power in their work.

The number of persons employed in industry at the time of the Census exceeded 17,900, of whom over 15,000 were males; 10,186 were wage earners and 1,441 contract labourers; the rest owners, clerks and technicians.

The net annual output was estimated at £P.3,886,000, and the capital invested in industry (in land, buildings, machinery and working capital) was estimated at over £P.3,515,000.

Since the taking of the Census in 1928 a number of new industries have been established or are nearing completion, such as the extraction of mineral salts from the Dead Sea, the Hydro-Electric Station on the Jordan River, the Jerusalem Electric and Public Service Corporation, a large tannery and some smaller concerns which together raise the capital now invested in industry to over £P.4,500,000 and the number of persons employed to over 20,000.

Though industry is still in its early stage it has shown definite signs of progress in certain lines.

The lack of raw materials, the high cost of production and transport are handicaps. Endeavours to arrange for long-term industrial credits have been made, but not with much success.

Notwithstanding the general economic crisis existing in 1929 and 1930, and the considerable fall in world prices, certain branches of local industry have proved to be well established and have increased their production and developed a small export trade.

Four small factories closed down in 1930, but a number of new factories opened during the year.

The development in industry can be appreciated from a glance at the following figures showing the imports into Palestine of benzine, kerosene and crude petroleum since 1922 :—

Year.				Benzine and other motor spirit.	Kerosene.	Fuel oils.
				Litres.	Litres.	Metric Tons.
1922	...	...	...	2,412,234	15,059,897	466
1923	...	...	...	3,806,946	16,176,916	1,743
1924	...	...	...	3,222,060	20,129,549	2,526
1925	...	...	...	5,556,464	23,032,837	4,125
1926	...	...	...	8,446,215	27,789,148	3,860
1927	...	...	...	7,381,455	30,851,643	5,370
1928	...	...	...	11,266,347	35,548,631	6,086
1929	...	...	...	13,901,760	38,333,707	7,426
1930	...	...	...	16,346,626	37,655,680	16,537

The continuous increase in the above imports is largely due to the lack of any such products locally, the absence of coal and the scarcity of fuel wood in addition to the increasing demand for these products in motor transport, agriculture and industry.

Electric Power.—The completion of the Hydro-Electric Station at Jisr Majame on the Jordan River has been delayed on

account of certain damages caused to the head-race band and transformer station. It is expected that power from this station will be available early in 1932, and it has been announced that the price of current will be reduced as from January 1st, 1932, to a maximum charge of 30 mils per k.w.h. for light, 15 mils for power and 10 mils for irrigation; the sliding scale of charges will be further reduced to 4 mils per k.w.h. for the larger consumers.

The use of electricity is gradually spreading, and with the introduction of these reduced rates for current a market for domestic electric appliances may be developed.

Mineral Salts.—The long discussed concession for the extraction of potash and other mineral salts from the waters of the Dead Sea was signed, between His Excellency the High Commissioner for Palestine and Trans-Jordan and the Palestine Potash Company, Ltd., on the 1st January, 1930, for a period of 75 years.

The nominal capital of the Company, which is incorporated in England, is £P.400,000 divided into 380,000 shares of £P.1 each and 400,000 shares of 1 shilling each.

The area of the concession is about 4 square kilometres.

Considerable progress in the erection of the required plant has been made, and by the end of 1930 about one square kilometre was already formed into pans for the evaporation and concentration of the waters from the Dead Sea.

Carnalite is already obtained and the production of potash and other mineral salts is expected to be made possible in the near future.

The machinery required was bought in England.

The Oil and Soap Industry.—An abundant local crop of olives in 1929 with a large production of olive oil in the principal producing countries resulted in a fall in the price of this commodity. The price of local olive oil fell to £P.4·180 mils (£4 3s. 7d.) per 100 kilos. in 1931 as compared with £P.10·400 mils (£10 8s.) early in 1929.

In order to assist the cultivators of olives, the Government restricted the import of unrefined olive oil.

There are some 477 olive oil presses and 42 soap factories in the country.

In 1930 soap was produced in larger quantities than during previous years, and 5,945 tons were exported, mainly to Egypt and Syria, as compared with 5,103 tons exported in 1929.

The total value of soap produced in Palestine exceeds £P.350,000, mainly produced at Nablus in a very primitive way. Higher grade soap and toilet soap is produced at Haifa and Tel-Aviv.

The price of local soap in April, 1931, was £P.3·170 mils (£3 3s. 5d.) per 100 kilos.

The high import duty imposed on soap imported into Egypt is likely to affect the local industry.

The Tobacco Industry.—Thirteen tobacco and tombac factories are at present working; the total number of persons employed exceeds 1,000.

Some 24,000 dunums are planted annually with tobacco and the yield in 1930 was 954,000 kilos. as compared with 1,194,000 kilos. produced during the previous year.

487,587 kilos. of cigarettes were produced in 1930 as compared with 531,887 kilos. produced in 1929. Local cigarettes have the bulk of the market, but there is still a good demand for English cigarettes.

Wine and Spirits.—Thirty-five wine factories and distilleries produce wine, arak, alcohol and liqueurs. The largest are the wine cellars of Rishon-le-Tsiyon and Zikhron Ya'aqov.

42,509 hectolitres of wine were produced in 1930 as compared with 35,814 hectolitres in 1929.

10,748 hectolitres of wine were exported in 1930 and 10,280 hectolitres in 1929.

The area under vines is approximately 15,000 dunums.

This industry suffers from the lack of sufficient markets for its production, its capacity being far greater than the present output.

Pure alcohol is produced in sufficient quantities to meet the entire local demand, and liqueurs, such as cognac, are exported in small quantities.

Cement Manufacture.—This industry makes satisfactory progress. 12,351 tons were exported in 1930 as compared with 7,639 tons exported in 1929. Owing to a protective import duty, imports of foreign cement have decreased considerably.

Early in 1930 the price of local cement was reduced by 200 mils per ton and it is sold at present at £P.2'700 mils per ton at Haifa, £P.3'100 mils at Jerusalem, and £P.2'900 mils at Jaffa.

The cement produced is of good quality; the only factory is kept fully employed.

Salt Production.—Salt is no longer a Government monopoly. Two companies produce salt, one at Athlit from sea water of the Mediterranean and one at Jebel Usdom from salt rocks near the Dead Sea.

7,618 tons were produced in 1930 and 7,379 tons in 1929.

There is an excise duty of £P.1'500 mils per metric ton.

Textile Industries.—The most successful enterprise in the textile group of local industries is the manufacture of stockings which were exported in 1930 to the value of £P.19,722 as compared with £P.18,919 exported in the previous year.

There are seven factories employing some 250 workers, mostly girls, the five principal factories being at Tel-Aviv.

Artificial Teeth.—A factory for the manufacture of artificial teeth exists at Tel-Aviv and exports almost its entire production to the United Kingdom. £P.10,325 worth of such teeth were exported in 1930 as compared with £P.9,261 exported in 1929. Girls only are employed in this industry.

Match Manufacture.—The factory at Acre produced 153,457 gross of matches in 1930; 10,662 gross were imported.

Leather Manufacture.—There are a number of tanneries in the country. Two large tanneries produce upper and sole leather of a good quality. A factory for the manufacture of fancy leather goods at Tel-Aviv is progressing and an export trade in these articles is developing. Office goods of fancy leather are produced in Jerusalem.

Motor Car Bodies.—A number of workshops exist for the manufacture of motor car bodies, especially for buses and trucks. The chassis are imported, and practically all buses running in the country have bodies made in Palestine.

Metal Works.—The metal industry is still in its infancy. There are a number of workshops for repairing machines and manufacturing simple spare parts and accessories.

A number of workshops make iron bedsteads and wire netting, but all raw materials have to be imported.

A cheap type of bedstead is manufactured, which sells well in the local and neighbouring markets.

There are also a number of well-equipped foundries and a nail factory at Haifa.

Printing and Stationery.—The printing industry has developed rapidly in the last few years. There are now some 75 printing presses engaged in printing newspapers, periodicals, books, &c. Hebrew books are printed in large quantities and exported.

Writing paper, block-notes, ledgers, &c., are prepared, and there is a factory for making envelopes and paper bags.

There are in Palestine 2 Arabic, 4 Hebrew and 1 English daily newspapers; 7 English, 18 Arabic and 25 Hebrew periodicals.

In addition, there is the Official Gazette (fortnightly) and the Palestine Commercial Bulletin (monthly) published by the Government.

Furniture Making.—Modern furniture, particularly wooden furniture of good quality, is manufactured locally, but the industry suffers from Syrian competition.

Boots and Shoes.—The number of shoemakers in Palestine exceeds 500 (employers). Six establishments only use motor power for manufacture. The industry suffers from foreign competition, particularly from goods of Czechoslovakian and Syrian origin.

Confectionery and Sweets.—A factory in Jerusalem produces biscuits of fair quality, and a factory at Tel-Aviv manufactures chocolates and sweets. A large number of smaller factories produce sweets and sweetmeats of inferior quality.

Owing to the fact that Syrian sweets can be imported into Palestine without payment of Customs duty, the manufacture of sweets in Palestine is heavily handicapped.

Flour Mills.—There are some 200 flour mills in the country, of which only four are on a large scale.

Local mills have benefited to some extent from the imposition of higher import duties on wheat and flour.

Cold Storage.—A modern cold storage plant has been erected at Tel-Aviv and contains 16 rooms for storing fruit, vegetables, fish, meat, eggs, butter, &c. The rooms are specially constructed for the storage of each commodity separately, and ice from filtered water is produced.

The capital invested in this company amounts to £P.35,000 and all the machinery has been obtained from England.

Building.—Building operations, particularly in Jerusalem, have been active since 1928. A sum of £P.2,448,670 was invested in 1930 as compared with £P.1,741,687 invested in new buildings in 1929.

The number of building permits issued by Municipalities was 5,052 in 1930 as compared with 4,193 issued in 1929.

The principal centres of building activity are Jerusalem, Haifa, Tel-Aviv and Jaffa. Jerusalem invested £P.1,836,740, Haifa about £P.193,000, Tel-Aviv £P.175,000 and Jaffa £P.79,400.

Buildings in Jerusalem included the King David Hotel, Government House, the Y.M.C.A. premises, bank premises, and others. All private dwelling houses are built to modern requirements and the housing problem, which was acute some years ago, is now easier.

Entirely new shopping centres have sprung up in Jerusalem, Haifa and Tel-Aviv since 1929, and merchants are gradually moving to new centres.

The construction of the Rockefeller Archaeological Museum in Jerusalem started early in 1931.

Rents are still very high, but there is a downward trend due to cheaper cost of construction resulting from the general fall in prices of all commodities, including building materials.

The silicate brick factory has been reorganised and is again supplying the local market with silicate bricks.

Miscellaneous.—A large variety of other articles are produced, ranging from mirrors to essential oils and toilet preparations.

Agriculture.—Agriculture is the principal occupation of Palestine. Improved methods are gradually being employed and

new crops introduced. More attention is now given to the production of potatoes, linseed, poultry, fruits, vegetables and also to the dairy industry in general.

The area under cereal cultivation remains stationary, but higher yields are, in many cases, being obtained.

Fruit growing shows an increase both under irrigation and in the hill districts.

The production of milk, poultry, eggs and honey is increasing rapidly and many kinds of vegetables are grown in large quantities. Production will soon, in some cases, be ahead of local demand and new markets will have to be found for the surplus.

The recent establishment of a modern cold storage plant at Tel-Aviv is expected to facilitate the storage and marketing of perishable produce.

Cereals.—The total imports of cereals in 1930 amounted to £P.149,972, of which rice accounted for £P.127,941. Imports of wheat-flour amounted to £P.178,329. The considerable decrease in these imports when compared with previous years was due to bountiful crops and the restrictions imposed on the importation of wheat and flour.

Exports of agricultural products exceeded imports. The principal commodities exported during 1930 were durra and maize £P.151,716, sesame £P.36,222, edible olive oil £P.19,394, citrus fruit £P.923,649, melons £P.83,625, wines £P.31,411.

Oranges.—The chief article of export continues to be oranges; direct shipments from Jaffa and Haifa to England and other European countries commence early in November and continue until April.

The area under orange cultivation is estimated at 110,000 dunums (about 25,000 acres) and the planting of trees is still going on.

During 1930, 2,857,041 cases valued at £P.857,223 and 4,992 tons in bulk valued at £P.49,920 were exported. Oranges in cases are chiefly exported to the United Kingdom and Germany and in bulk to Egypt.

The prices realised were satisfactory, an average of 12s. to 16s. per case was obtained. This was due to better regulated shipments and to the late arrival of the Spanish oranges on the English markets.

New markets are being developed and the export of oranges via Haifa is growing.

Egypt has imposed a heavy import duty on oranges, thus adversely affecting the trade with that country, which used to consume almost all the wind-fall oranges. The manufacture of orange and lemon juices, however, shows promise.

There is an increase in the production and exportation of grapefruit and the prices realised in 1930 were encouraging.

With the growth of the younger groves in a few years the production of citrus fruits generally should be more than double the present crop.

Water Melons.—The total export of water melons in 1930 was 35,616 tons valued at £P.83,625.

Egypt and Syria were the principal markets, but the recent imposition of a high tariff on fruits imported into Egypt has made the need of finding new markets for melons, almonds, grapes, raisins, orange culls and bananas an urgent one.

Enumeration of Animals.—According to an enumeration of animals made in 1930, there were in the country 146,397 cattle; 252,773 sheep; 440,132 goats; 5,247 buffaloes; 13,825 horses; 5,304 mules; 76,858 donkeys; 25,341 camels; making a total of 965,877 animals and 1,161,576 poultry.

It is estimated, however, that there are a further forty thousand head of cattle and half a million poultry not returned by owners.

21,000 cattle, 150,000 sheep and 80,000 goats were slaughtered in forty-eight municipal and local council areas.

Bee Keeping.—The total number of modern beehives is estimated at 6,000 with an annual production of honey of about 100,000 kilos. There are some 20,000 native hives, the output of which approximates to 20,000 kilos. of honey of poor quality. The exports were 17 metric tons valued at £P.1,006 in 1928, 24 metric tons valued at £P.1,624 in 1929, and 21 metric tons valued at £P.1,223 in 1930.

Fishing Industry.—Some progress has been made in the fishing industry.

The season's catch (1st October, 1929 to 30th September, 1930) was estimated to be 951 tons valued at £P.46,000 (first selling price). Imports of fresh fish amounted to £P.21,085 and those of preserved fish to £P.46,394.

400 local boats with 1,161 fishermen were engaged in this industry during the year.

Tourist Traffic.—58,832 tourists and travellers visited Palestine in 1930 as compared with 60,212 in 1929. Owing to the financial crisis in America and elsewhere large numbers of tourists cancelled their bookings. The season was not satisfactory and all trades depending upon tourist traffic have been adversely affected.

With the construction of the King David Hotel, the Palace Hotel and the reconstruction of the Fast Hotel, first-class accommodation is now available in Jerusalem. The King David Hotel is one of the largest and best equipped in the near East. Tiberias, Nazareth and Tel-Aviv also have adequate hotel accommodation.

Conducted parties of tourists and pilgrims are afforded special landing and customs facilities.

V. TRANSPORT, COMMUNICATIONS AND PUBLIC WORKS.

Shipping.—The chief Ports of Palestine are Jaffa and Haifa, Acre and Gaza being of little importance.

Palestine has no shipping of its own other than small sailing vessels, tugs and lighters. Regular passenger and cargo services are provided by about 30 shipping lines.

The Lloyd Triestino has two services weekly and the Sitmar Line one steamer weekly; the Messageries Maritimes, Fabre Line, Deutsche Orient Linie, Deutsche Levant Linie run fortnightly services and the Prince Line a monthly service.

Calls are made at irregular intervals by the Compagnie Russe de Navigation, Moss, Ellerman, Ellerman's Wilson, Greek and other Lines. Large tourist steamers of several nationalities call during the tourist season.

During 1930, 813 steamers of 1,895,540 tons and 1,794 sailing vessels of 40,454 tons arrived at Palestine ports, as compared with 741 steamers of 1,934,966 tons and 1,922 sailing vessels of 40,917 tons during 1929.

There are no navigable rivers or canals in the country, but small sailing vessels and motor boats ply on the Dead Sea and the Sea of Galilee.

The development of trade has been and is still handicapped by the absence of good harbour accommodation, but a large modern harbour is now under construction at Haifa.

Palestine Railways.—The Railway Administration operates for the Palestine Government the following sections:—

<i>Palestine Railway</i> —	Kilometres.	Kilometres.
Open line	325·822	
Sidings	78·926	
		404·748
<i>Sinai Military Railway</i> —		
Open line	203·032	
Sidings	20·364	
		223·396
<i>Hijaz Railway (Palestine)</i> —		
Open line	203·509	
Sidings	37·807	
		241·316
<i>Hijaz Railway (Trans-Jordan)</i> —		
Open line	323·349	
Sidings	8·075	
		331·394
Total		1,200·854

Of these 628·144 kilometres are standard gauge and 572·710 kilometres are 105 c.m. gauge track.

Tonnage handled.—Goods traffic handled during 1930 was 1,186,074 tons, compared with 569,285 tons in 1929.

COACHING.

Year.	1st class.	2nd class.	3rd class.	All classes.
1929	33,650	45,419	1,250,406	1,329,475
1930	30,202	57,596	1,356,491	1,444,289

Issues and receipts of stores :—

				Receipts.		Issues.	
				£P.	£P.	£P.	£P.
General Stores ... ..	...	...	...	78,913		77,319	
Coal ... ..	...	...	...	51,372		51,372	
					130,285		128,691

Motor Transport.—Motor transport continues to develop. In addition to the regular bus services between the various quarters of the principal towns, and between the different towns and villages, there is also a bus service from Haifa to Beirut.

The Overland Desert Motor Transport Service is also increasing and passengers from Haifa can reach Baghdad in about 30 hours, or 47 hours if they prefer to rest a night in Damascus.

Villagers now use motor trucks for the distribution of their products to the various local markets and obtain better prices with less trouble than was the case when animal transport only was used.

At the end of 1930 there were 2,860 motor vehicles in circulation of which 774 were private cars, 851 cars used for hire, 711 public buses and 524 lorries. There were also 326 motor cycles in circulation.

848 motor cars were imported in 1930 as compared with 823 cars imported during 1929; the greater number are of American manufacture; a small British car, the "Austin Seven," and other makes made their appearance in 1930, and a certain number are being sold in the larger towns; "Morris" trucks are also being sold.

Air Navigation.—The Imperial Airways, Limited, established a trial service for six weeks between Alexandria, Haifa and Famagusta by seaplane; the company hope to establish a regular service. A weekly service between Cairo, Palestine and Iraq already exists.

Posts, Telegraphs and Telephones.—The revenue of the Department of Posts, Telegraphs and Telephones increased from £P.202,549 in 1929 to £P.219,783 in 1930. The sale of stamps and telephone calls were responsible for this increase.

The mail service was maintained without interruption during the whole of 1930 and a daily mail motor service to Trans-Jordan has been instituted.

The London-India Air Mail Service was carried out with improved regularity under the summer time table. The letter postage to the United Kingdom was reduced from 13 mils to 7 mils as from the 1st April, 1930.

As from the 31st December, 1930, mails are conveyed by steamers of the accelerated Adriatic-Cyprus-Palestine line of the Lloyd Triestino from Haifa instead of via Egypt.

Telegraph traffic showed a considerable decrease compared with 1929, the increases recorded then being due to the disturbances.

There was a continued demand for telephone installations, especially in outlying Jewish colonies and settlements. Both local and trunk lines were heavily used.

Notwithstanding the fact that a broadcasting service has not yet been established in Palestine there has been a noticeable increase in the number of applications for wireless receiving licences. 200 new receiving licences and 18 new dealers' licences were issued in 1930.

11,763,770 letters, 932,080 post cards and 6,194,900 printed matter and samples were dealt with in 1930, an increasing and important traffic if compared to the population of the country.

Public Works.—The total expenditure by the Department of Public Works during 1930 was £P.494,100 compared with £P.360,100 spent in 1929. The largest share of this amount was spent in the construction of new public buildings, including the erection of a residence for the High Commissioner and a post office at Jaffa.

Work on the Jaffa Port Improvement Scheme, which is being met from funds provided by the Palestine Loan, was continued. A 7 ton electric crane was erected on the quay and a reinforced concrete building erected to accommodate the port offices, baggage rooms, disinfecting station, medical examination offices, &c.

Much work has been done on the construction of roads. A steel girder bridge of 100 feet span manufactured in England was erected over the Auja River.

The length of metalled roads in the country is approximately 720 kilometres, and in addition, many hundreds of kilometres of tracks are passable for wheeled traffic of all kinds during dry weather.

Forty-five steam boilers and 3 prime movers have been examined and licensed.

The construction of the following public buildings is under contemplation for 1931 :—

District and Magistrate's Court, Haifa; District and Magistrate's Court, Nablue; Arab Training College, Jerusalem; General Post Office, Jerusalem; Police Training School, Jerusalem; Mental Asylum, Bethlehem; Central Government Offices, Jerusalem; Jewish Agricultural School (Kaddorie Bequest) near Mount Tabor; (The Arab Agricultural School at Tul-Karem from funds

of the Kadoorie Bequest was completed in 1930). The Rockefeller Palestine Archaeological Museum in Jerusalem and a number of other buildings of minor importance.

Present and Future Development of Haifa.—*Haifa Harbour.*—Part of the loan raised in the United Kingdom was earmarked for the construction of a harbour at Haifa.

The construction of this harbour commenced early in 1929 and steady progress has been made since. It is expected to complete the work by 1934.

The roadstead in which vessels calling at the Port at present lie is well protected from the south and south-west by Mount Carmel.

A main breakwater is being constructed in a direction running approximately from west to east, continuing the northern line of shore near the point of Ras el Kerum. A lee breakwater, about half a mile long, will be formed by prolonging the existing railway jetty in a north-westerly direction, so protecting the harbour from easterly winds.

The effective width of the harbour entrance will be 600 feet (183 metres) and will face almost due east. The total area of water enclosed by the breakwaters will be nearly 300 acres, and of this it is proposed, in the first instance, to dredge an area of about 60 acres to a depth of 37 feet (11·3 metres) and in addition about 47 acres to a depth of 31 feet (9·4 metres). This will permit of the berthing, at stem and stern moorings in the body of the harbour, of one large tourist steamer, as well as accommodation for a number of cargo steamers.

The arrangements will include provision for a turning basin of not less than 1,200 feet in diameter.

A strip of land is being reclaimed on the shore side of the area enclosed by the breakwaters, the reclaimed land being retained by a rubble dyke and bounded on its north-east side by a wharf wall 1,100 feet long providing a depth of water of 31 feet (9·4 metres) and a quay 950 feet long for lighters.

Steel framed transit sheds will be built at the wharf wall and full railway and road facilities provided with the necessary equipment.

The dredging limits in the harbour and at the entrance will be suitably buoyed, navigation lights being provided at the ends of the breakwaters and at such other points as may be found necessary.

Two ocean-going tugs will form an integral part of the harbour equipment.

Due consideration is being given to possible future development and expansion of the harbour which will be effected in time in a westerly direction.

A quayside station will eventually be constructed to deal with tourist traffic, special facilities for passengers being provided.

Further wharfage with sheds and equipment will also be furnished when found necessary.

The chainage of the main breakwater from zero reached 1,500 metres on the 30th of June, 1931, and the depth of water was 10 metres.

Stone is being quarried at Athlit, 20 kilometres from Haifa, and conveyed to Haifa by special trains. The number of labourers employed at the Athlit quarries and engaged in the construction of the Harbour is on an average 1,170.

The reclamation work is progressing rapidly.

This modern harbour will serve the needs of the export trade of Palestine, particularly that of the orange trade. In four or five years some 5,000,000 cases of oranges should be available for export; without the facilities afforded by the Haifa harbour, these could only be exported with great difficulty.

With the construction of a railway line from Baghdad to Haifa, the importance of the town and its harbour would considerably increase.

Oil Area of Haifa.—Storage reservoirs for mineral oils have been installed at Haifa by the Shell Company of Palestine, Ltd., by the Vacuum Oil Company and by the Mantaschef Company.

Two submarine pipes have been laid at a depth of six fathoms in the sea at a distance of 750 metres from the shore and now convey fuel oils, benzine and kerosene to the tanks in the oil area. There are 13 tanks at the "Shell" installation of a capacity of 19,000 tons, five tanks at that of the Vacuum Oil Company of a capacity of 8,200 tons and one tank at that of the Mantaschef Company of a capacity of 2,000 tons.

Tank steamers unload oil direct through the submarine pipes to the reservoirs. By an agreement with the Shell Company the two other companies are allowed to use the "Shell" submarine pipes.

A factory capable of manufacturing 6,000 tins in 8 hours has also been established by the Shell Company; this now gives employment to some 60 labourers.

The submarine pipes have been established for temporary use pending the completion of the Haifa Harbour, when it is hoped that oil tankers will be able to unload at a special oil berth by over-land pipes into the reservoirs of the various companies.

The Mosul Pipe Line.—A Convention was concluded on the 5th of January, 1931, between the High Commissioner for Palestine and the Iraq Petroleum Company, Limited, for the purpose of constructing, maintaining or operating pipe-lines, refineries or works ancillary thereto, in Palestine.

The Iraq Petroleum Company, Limited, has been granted by the Iraq Government the right to develop oil deposits over a considerable area in Iraq east of the river Tigris and under the above-mentioned Convention the company's pipe lines may traverse the territory of Palestine and terminate at Acre Bay, near Haifa. The

Convention was published in the Official Gazette No. 276 of 1st February, 1931.

A similar Convention was signed between the French High Commissioner for Syria and the Iraq Petroleum Company, Limited.

The company has opened an office in Haifa and a survey party is expected to commence work shortly.

The Bay of Acre and the vicinity of Tripoli will probably be the terminal points of the pipe line.

Haifa-Baghdad Railway.—A survey party arrived from England in the middle of 1930 and the survey of the proposed railway line between Haifa and Baghdad has commenced.

VI. MINERAL RESOURCES.

The minerals of Palestine and Trans-Jordan may be divided into the following classes :—

- (a) Minerals in solution.
- (b) Non-metallic minerals.
- (c) Metallic minerals.
- (d) Petroleum and natural gas.

Up to the present time the country has only been partially surveyed; the increasing knowledge of the geological formations indicates greater mineral resources than have hitherto been suspected.

The following resumé gives an indication of the mining possibilities.

(a) **Minerals in Solution**—The Dead Sea contains 1·0 to 1·5 per cent. potassium chloride, according to the depth at which the sample is taken; 0·5 to 0·7 per cent. magnesium bromide; 11 to 17 per cent. magnesium chloride and 7 to 9 per cent. sodium chloride.

A concession has been granted to the Palestine Potash Company, Limited, to produce potash and bromine salts, &c. (see elsewhere in this report).

(b) **Non-Metallic Minerals**—Non-metallic minerals at present known are bituminous limestone, bitumen, coal, gypsum, rock phosphate, rock salt and sulphur.

Bituminous Limestone.—These deposits are very widespread in the Upper Cretaceous limestone formation, sometimes occurring in very thick beds associated with the chalk or overlying the phosphate deposits as at Nebi Musa. The low price of fuel oil in Palestine and the presence of a high percentage of sulphur in the crude oil is somewhat against their present development. Numerous licences have been granted to exploit this material either with the object of preparing quick-lime which has slight hydraulic properties, and oil as a by-product or for a direct production of petroleum oils.

Bitumen.—Bitumen occurs rather widely distributed, but it is not usually in a form that can be readily used without purification.

Coal.—Thin seams of coal are found associated with Nubian sandstone around the Dead Sea, but do not appear to exist in beds of any commercial value.

Gypsum.—Important gypsum deposits occur in the neighbourhood of Melhamiya, south of the Lake of Tiberias. These deposits have been worked for five years and the mineral is used in connection with the manufacture of cement and for making plaster of Paris.

Rock Phosphate.—These deposits are very extensive covering an area of about 100 square kilometres, amounting to 1,000 million tons. The better qualities contain from 40 to 50 per cent. tricalcic phosphate. Experiments have been carried out for their utilisation locally by direct application as ground powder with successful results; other methods are also being tried.

Deposits of valuable phosphate containing from 60 to 80 per cent. tricalcic phosphate occur in Trans-Jordan, of which the pulverulent variety occurs along the Hijaz Railway.

Rock Salt.—Rock salt occurs in domes, such as that of Jebel Uadum, where it intrudes into the gypseous marls and sands of the Mio-Pliocene age; much of the salt is extremely pure. It has been put on the Jerusalem and other markets in a ground form.

Sulphur.—Sulphur occurs widely distributed in the Diluvial deposits in the old Jordan lake area. It also occurs impregnating the sand of the dune area six kilometres south of Gaza, where there is an area of about one square kilometre in which sulphur has been proved in depth. This deposit has the nature of a solfatara.

(c) **Metallic Minerals.**—**Iron.**—Iron ores, mostly of a poor quality and of a very limited extent, are found associated with limestones of the Cenomanian age, sandstones of the Lower Cretaceous and calcareous sandy beds of the Jurassic age. Decomposed basalts of the Carmel area also give rise to poor iron ores.

The principal iron ores occur in Trans-Jordan in the district of Ajlun where limestones probably of the Lower Cenomanian age have been replaced by iron ores which now exist in the form of red hematite containing 55 to 65 per cent. of metallic iron and 0·07 per cent. of phosphorus. There is evidence that these beds may be extensive. The ores were actually used by the Crusaders for the manufacture of soft iron in bloom furnaces.

Manganese.—South of Gebel Ghudian as far as Akaba, a distance of 30 kilometres on the Palestine side of Wadi Araba occurs a belt of Igneous and Metamorphic rocks which continue into Egyptian Sinai and are overlain by red, sandy, pebble beds, probably of the Cambrian age, above which are black and green sandstones with shales of calcareous shales of the Carboniferous age, 150 feet in thickness, comprising manganiferous sands and beds of rich manganese ores where the shale or marl has been replaced by psilomelane or pyrolusite. These beds extend over a large part

of the area, but only the sections in the Wadi Meneiaieh are known to contain good quality ores in commercial quantity.

Copper.—Both above and below the manganese series the sandstones are irregularly impregnated with malachite and are traversed by thin veins containing malachite and cuprite of high quality. These copper occurrences are very widespread and there are reports of veins of copper ore of commercial value.

In Trans-Jordan a similar series of rocks exists and the black sandstones and limestones contain fossils of carboniferous facies corresponding in age to the manganese bearing rocks of Sinai. Manganese ores have not been found in Trans-Jordan but copper ores exist at Fenan and at the Wadi Sabra south of Petra, which were worked by the Byzantines.

(d) **Petroleum and Natural Gas.**—The main indications of petroleum are round the southern shore of the Dead Sea, where the Cretaceous rocks are covered with beds of the Mio-Pliocene age. This area was known in the ancient times as a region of asphalt. The seepages of oily bitumen are found in rocks of the Nubian, Upper Cretaceous and Pleistocene ages.

Several preliminary examinations have been made, and it is hoped that a complete geological and geophysical survey will be shortly undertaken to decide the long-debated question of oil in commercial quantities in Southern Palestine.

Mining.—Rock salt and gypsum are mined in small quantities. It is expected that there will be a production of rock phosphate and a certain amount of export is anticipated. There appear to be some possibilities of utilising the sulphur for the manufacture of sulphuric acid and the conversion of phosphates to superphosphate. Exploitation of the manganese ores of the Akaba District is awaited with interest. Exports of potash and bromine salts are anticipated in the near future.

All quarrying of stone, sand and clay has now been brought under the Mining Amendment Ordinances. Some improvement has taken place in the quarrying of stone. Modern quarrying methods are being adopted in some quarries and the Government opened a quarry in Mizzi Helu near Mar Elias and made a test on the green marble deposit east of Bethlehem. The cement factory near Haifa is now producing cement on a large scale and a certain amount of export exists. The manufacture of bricks and tiles makes little progress, probably owing to the lack of cheap fuel and to the fact that the clays used are not very suitable for the purpose.

VII. SOCIAL QUESTIONS.

Labour.—There are about 30,000 Jewish workers in Palestine who may be classified under the following categories :—

Agriculture, 7,000; building and public works, 4,500; factories and larger workshops, 4,000; small workshops (employing less

than 7 persons), 3,000; transport, 1,500; general, such as domestic service, clerical and technical employees, hospital attendants, &c., 10,000.

The association of Jewish labour unions—the General Federation of Jewish Labour in Palestine numbers about 29,000 members, but this number includes members of co-operative agricultural settlement and wives of members.

It is estimated that about 75 per cent. of the Jewish workers in Palestine are members of trade unions.

A small number of Arab workers are also members of this Federation. Several Arab workers' unions have been formed from time to time, some of which survive, but hitherto they have failed to attract a considerable number of workers, and their influence is not yet felt in the labour market.

There are no reliable figures of the total number of Arab workers.

Unemployment.—The conditions of the labour market in Palestine were uneven during the five years from 1926 to 1930, as illustrated by the following average estimated figures of unemployed Jewish labourers:—

1926	...	...	...	...	6,000
1927	...	...	...	...	7,400
1928	...	...	...	...	2,280
1929	...	...	...	...	1,000
1930	...	...	...	...	1,030

The considerable unemployment during the years 1926-1927 was mainly due to the financial and economic crisis. Conditions showed an appreciable improvement after the year 1927, but became worse again in the second half of 1930.

Wages and Hours of Work.—An eight-hour working day is a rule in the larger industrial establishments where Jewish and mixed labour is employed, in Jewish building and in agriculture. In small workshops, both Jewish and Arab, the hours of work vary from 8 to 10, in some cases rising to 11 and 12 hours a day.

Although time rate pay is the general prevailing system, piece work rate is customary in many trades. The practice of working in co-operative groups, of a permanent or temporary nature, is also widespread among Jewish labourers, especially those engaged in building work. The work is carried out under contract and the earnings divided equally or according to family conditions or qualifications of each member.

Wages paid to different categories of labour, European and Asiatic, vary greatly, despite the adoption of a scale by the Jewish Trade Unions in many trades.

The present union rates of wages in the larger industrial concerns are as follows: skilled workers, 400-600 mils; semi-skilled, 250-350 mils; unskilled, 200-300 mils.

The wages of union workers in agricultural employment range from 175 to 250 mils.

European labourers receive on the average about 100 mils per day more than Oriental labourers. The higher the skill and experience required, the smaller is the difference in wages of the various categories of labour.

The earnings of women (female labour is usually employed in the textile and clothing industries and the manufacture of cigarettes, artificial teeth and cardboard boxes) are lower than those of men employed in the same trades.

Industrial Disputes.—Twenty strikes, two lock-outs and four disputes which cannot be described as strikes or lock-outs are recorded to have occurred during the year 1930. 393 workers were involved in the twenty-two strikes and lock-outs. Two strikes lasted for about 100 days, one 23 days, seven from 10 to 14 days and the remaining, including two lock-outs, lasted for less than 10 days. Eight of the disputes were caused by demands regarding wages, hours of work and similar matters, seven by reduction of wages or change of the pay-system, four disputes were connected with the recognition by the employers of the labour organisation and its principles of allocation of work, four strikes were caused by irregular payment of wages and the remaining three disputes were caused by discharge of labourers and other reasons.

Protection of Labour.—The following protective and regulative labour legislation is in force :—

(a) Industrial Employment of Women and Children—provides regulations concerning minimum age of employment, duration of work of children, night work, employment of women and children in dangerous industries, etc.

(b) Workmen's Compensation Ordinance.

(c) Fencing of Dangerous Machinery Ordinance.

(d) Ordinance to provide for the safety and inspection of steam boilers and prime movers.

(e) Prevention of intimidation Ordinance, with special relation to labour disputes.

(f) White phosphorus prohibition Ordinance.

Palestine has adhered to the International Convention regarding equality of treatment for national and foreign workmen in regard to compensation for accidents.

Migration.—The figures of immigration into and emigration from Palestine during the period 1926-1930 are shown in the following table :—

Year.	Total numbers.		Jews.	
	Immigrants.	Emigrants.	Immigrants.	Emigrants.
1926 ...	13,910	9,429	13,081	7,365
1927 ...	3,595	6,978	2,713	5,071
1928 ...	3,086	3,122	2,178	2,168
1929 ...	6,566	2,835	5,249	1,746
1930 ...	6,433	3,033	4,944	1,679
Total ...	33,590	25,397	28,165	18,029

Of the total number of immigrants shown above, 19,470 were of Eastern European origin, including 13,137 from Poland.

1,353 immigrants with about 1,700 dependent members of families were in possession of a capital of £500 and more; 15,065 accompanied by 5,196 members of families belonged to the working class.

Commercial and Technical Education.—There are two Jewish schools of commerce, one at Tel-Aviv and the other at Jerusalem, whilst at Haifa there is a school which combines commercial with technical education.

The Jewish Technical Institute at Haifa is of post-secondary standard, whilst the three Jewish trade schools at Jerusalem, Tel-Aviv and Haifa are post-elementary.

The Moslem Orphanage and the Syrian Orphanage (Christian) at Jerusalem conduct trade sections.

The following institutions impart an agricultural education :—

1. The Government Agricultural School for Arabs at Tulkarem (Kadoorie Bequest); (the construction of the Government Agricultural School for Jews (Kadoorie Bequest) near Mount Tabor, has already commenced).

2. Two Jewish Agricultural schools, one for women, at Nahalal and the other for men at Mikveh Israel; and

3. The Agricultural College at Beit Jamal maintained by the Salesian Fathers.

The “ Children’s Villages ” at Ben-Shemen, Meir Shfeya and Giva’t Hamoreh have a strong agricultural bias.

Research.—Certain sections in the nurseries of the Agricultural Department have been set aside for the testing of new varieties of wheat, barley, oats, &c., and the production of seed from approved types for general distribution.

The Palestine Zionist Executive and the Jewish Colonisation Association have established experimental stations which carry on all sorts of investigations relating to the possibilities of agriculture and to plant diseases.

The geological adviser to the Government investigates the mineral resources of the country and the Biochemical Department of the Hebrew University of Jerusalem investigates local conditions as regards agriculture and industry.

VIII. LEGISLATION.

(For detailed information on legislation see the Annual Reports on the Administration of Palestine and Trans-Jordan submitted to the Council of the League of Nations by H.M. Government.)

All Ordinances and Regulations promulgated are published in separate annual volumes and may be obtained against payment from the Superintendent of Printing and Stationery, Russian Buildings, Jerusalem.)

Twenty-five new Ordinances and Amendments to existing Ordinances were promulgated in 1930, 51 in 1929 and 29 in 1928. A list of titles of all these Ordinances is given in Appendix VII.

The work of giving Palestine a modern system of law is still incomplete, but many reforms in regard to the commercial law, the criminal law and the procedure of the Courts have been introduced.

Comprehensive measures of commercial law were the Companies Ordinance, the Bills of Exchange Ordinance and the Merchandise Marks Ordinance, which followed the principles of English law.

All Customs and Excise Ordinances and Regulations are published annually in a digest form as a supplement to the Palestine Commercial Bulletin.

There is no export duty with the exception of a duty of 10 per cent. *ad valorem* on antiquities.

A list of Commercial Treaties and International Conventions to which Palestine has adhered is given in Appendix VIII.

APPENDIX I.

TRADE BALANCES OF PALESTINE (excluding bullion, specie and paper currency).

	1928	1929	1930
	£P.	£P.	£P.
Imports	6,770,818	7,166,593	6,985,258
Exports	1,487,207	1,554,262	1,896,095
Re-exports	177,802	197,671	182,222
Total	1,665,009	1,751,933	2,078,317
Adverse Trade Balance	5,105,809	5,414,660	4,906,941

APPENDIX II.

TABLE OF IMPORTS DURING THE YEARS 1928, 1929, AND 1930.

IMPORTS OF MERCHANDISE.

Imports in transit and bullion, specie and paper currency.

	1928	1929	1930
	£P.	£P.	£P.
Imports for consumption	6,770,818	7,166,593	6,985,258
Imports in transit	177,447	265,501	155,385
Imports of bullion, specie and paper currency	17,949	12,310	3,229
Total import trade	6,966,214	7,444,404	7,143,872

IMPORTS BY CLASSES (excluding bullion, specie and paper currency).

	1928	1929	1930
	£P.	£P.	£P.
Food, drink and tobacco	1,800,986	1,911,158	1,395,009
Raw materials and articles mainly unmanufactured	643,683	720,554	597,574
Articles wholly or mainly manufactured	3,662,851	3,715,647	4,067,135
Miscellaneous and unclassified	663,298	819,234	927,540
Total	6,770,818	7,166,593	6,985,258

APPENDIX II—*continued.*

TRANSIT BY CLASSES.

	1928	1929	1930
	£P.	£P.	£P.
Food, drink and tobacco ...	27,201	104,838	48,125
Raw materials and articles mainly unmanufactured ...	3,861	2,228	8,063
Articles wholly or mainly manufactured ...	143,711	156,464	95,610
Miscellaneous and unclassified ...	2,674	1,971	3,587
Total transit ...	177,447	265,501	155,385

APPENDIX III.

COUNTRIES OF CONSIGNMENT OF FOREIGN GOODS IMPORTED DURING 1929 AND 1930 AND PERCENTAGES.

Countries consigned from.	1929	1930	Percentage 1930
	£P.	£P.	%
United Kingdom ...	1,011,082	1,163,619	16·66
British Possessions ...	122,376	119,462	1·71
Austria ...	122,381	129,625	1·85
Belgium ...	179,561	194,625	2·79
Bulgaria ...	67,843	74,416	1·06
Czechoslovakia ...	139,707	177,275	2·54
Egypt ...	1,781,620	1,591,355	22·78
France ...	465,148	288,348	4·13
Germany ...	743,653	762,073	10·91
Holland ...	83,136	78,407	1·12
Hungary ...	18,795	47,886	0·69
Italy ...	284,388	247,789	3·55
Poland ...	28,105	66,277	0·95
Roumania ...	189,275	247,221	3·54
Russia ...	82,886	75,034	1·07
Sweden ...	42,017	51,413	0·74
Switzerland ...	64,080	77,736	1·11
Syria ...	1,055,611	1,035,411	14·82
United States ...	395,933	358,528	5·13
Other countries ...	288,996	198,758	2·85
	7,166,593	6,985,258	100·00

APPENDIX IV.

TABLE OF EXPORTS DURING 1930, AS COMPARED WITH 1929 AND 1928.

Exports of Palestinian produce, specie, re-exports of foreign goods and exports in transit.

	1928	1929	1930
	£P.	£P.	£P.
Exports of Palestinian produce ...	1,487,207	1,554,262	1,896,095
Exports in transit* ...	177,447	265,501	155,385
Exports of specie ...	22,254	212,667	1,654
Re-exports of foreign goods† ...	177,802	197,671	182,222
Total export trade ...	1,864,710	2,230,101	2,235,356

*Excluding specie.

†Excluding specie in transit or re-exported.

EXPORTS OF PALESTINIAN PRODUCE BY CLASSES
(Excluding specie).

	1928	1929	1930
	£P.	£P.	£P.
Food, drink and tobacco ...	1,050,989	1,101,529	1,476,070
Raw materials and articles mainly unmanufactured ...	74,590	93,841	51,992
Articles wholly or mainly manufactured ...	354,493	353,789	365,350
Miscellaneous and unclassified ...	7,135	5,103	2,683
Total ...	1,487,207	1,554,262	1,896,095

APPENDIX V.

COUNTRIES OF DESTINATION OF PALESTINIAN PRODUCE EXPORTED DURING
1929 AND 1930 AND PERCENTAGES.

Countries of destination.	1929	1930	Percentage 1930
	£P.	£P.	%
United Kingdom	455,672	702,664	37·07
British Possessions	21,758	42,325	2·23
Belgium	57,951	52,870	2·79
Denmark	8,536	17,725	0·93
Egypt	366,757	395,494	20·85
France	67,520	60,321	3·18
Germany	116,871	203,074	10·72
Holland	34,284	57,581	3·04
Italy	27,369	16,770	0·88
Poland	5,367	16,417	0·87
Roumania	19,063	19,973	1·05
Syria	307,009	210,342	11·09
Tripolitania	22	33,969	1·79
United States	26,595	23,546	1·24
Other countries	39,488	43,024	2·27
Total	1,554,262	1,896,095	100·00

APPENDIX VI.

SHIPPING.

Foreign Trade.

The total number and tonnage of steam and sailing vessels entered and cleared in the foreign trade during 1930 were :—

		Steam.		Sailing.		Total.	
		Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
Entered	...	813	1,895,540	1,794	40,454	2,607	1,935,994
Cleared	...	814	1,896,588	1,807	40,464	2,621	1,937,052
Total	...	1,627	3,792,128	3,601	80,918	5,228	3,873,046

Coasting Trade.

The total number and tonnage of steam and sailing vessels entered and cleared in the coasting trade during 1930 were :—

		Steam.		Sailing.		Total.	
		Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
Entered	...	415	855,619	392	8,846	807	864,465
Cleared	...	408	834,541	400	8,577	808	843,118
Total	...	823	1,690,160	792	17,423	1,615	1,707,583

There was an increase in the number and a decrease in the tonnage of steamers entered in 1930 as compared with 1929 of 72 and 39,426 respectively. There was a decrease of 16 Italian and 5 Turkish steamers and an increase of 33 British, 5 Belgian, 14 Bulgarian, 22 German, 8 Greek, 9 Roumanian and 5 Swedish steamers.

APPENDIX VII.

Number in year.			CHRONOLOGICAL TABLE OF ORDINANCES.	
1928	Date.	Short Title.		
1	Feb. 15th	Passport Amendment Ordinance.		
2	" "	Weights and Measures Ordinance.		
3	" "	Fencing of Machinery Ordinance.		
4	" "	Medical Practitioners Ordinance.		
5	Mar. 31st	Collective Punishments Amendment Ordinance.		
6	Apr. 3rd	Dangerous Drugs Amendment Ordinance.		
7	May 30th	Customs Duties Exemption Ordinance.		
8	" "	Forest Amendment Ordinance.		
9	" "	Land Settlement Ordinance.		
10	June 22nd	Supplementary Appropriation (April-December, 1927) Ordinance.		
11	" 30th	Appropriation (1928) Ordinance.		
12	July 15th	Nursing Sisters Pensions Ordinance.		
13	" "	Probation of Offenders Ordinance.		
14	" "	Arbitration Amendment Ordinance.		
15	" "	Civil Trial of Members of the Forces Amendment Ordinance.		
16	" "	Magistrates Jurisdiction Validation Ordinance.		
17	" "	Evidence Ordinance.		
18	" "	Municipal Courts Ordinance.		
19	" "	Proof of Foreign Documents Amendment Ordinance.		
20	" "	Assignment of Debts Ordinance.		
21	" "	Orthodox Patriarchate Ordinance.		
22	" "	Co-operative Societies Amendment (Securities) Ordinance.		
23	" 28th	Urban Property Tax Ordinance.		
24	Aug. 15th	Immigration Amendment Ordinance.		
25	" 15th	Public Health (Pharmacy) Ordinance.		
26	" 22nd	Bee Diseases Ordinance.		
27	Sept. 30th	Commutation of Tithes Amendment Ordinance.		
28	Oct. 25th	Tel-Aviv Local Council Validation Ordinance.		
29	Dec. 24th	Customs Tariff Amendment Ordinance.		
1929				
1	Jan. 2nd	Advocates (Amendment) Ordinance.		
2	" 28th	Tobacco (Amendment) Ordinance.		
3	" "	Coroners (Amendment) Ordinance.		
4	" "	Young Offenders (Amendment) Ordinance.		
5	" "	Veterinary Surgeons Ordinance.		
6	Feb. 15th	British and Colonial Probation Ordinance.		
7	" "	Land Courts (Amendment) Ordinance.		
8	" "	Companies (Amendment) Ordinance.		
9	" "	Mortgage Law (Amendment) Ordinance.		
10	" 28th	Merchandise Marks Ordinance.		
11	Mar. 15th	Customs Ordinance.		
12	" 30th	Contempt of Court Ordinance.		
13	" "	Exemption from Tithe Ordinance.		
14	Apr. 30th	Coinage (Amendment) Ordinance.		
15	" "	Perjury Ordinance.		
16	" "	Reciprocal Enforcement of Judgments (Egypt) Ordinance.		
17	" "	Supreme Moslem Sharia Council (Amendment) Ordinance.		
18	May 15th	Companies Ordinance.		
19	" 7th	Palestine Loan (Amendment) Ordinance.		
20	" 15th	Midwives Ordinance.		

Number in year.	Date.	Short Title.
1929		
21	May 31st	Legal Rate of Interest Ordinance.
22	" "	Appropriation (1929) Ordinance.
23	June 15th	Road Transport Ordinance.
24	" "	Stamp Duty (Amendment) Ordinance.
25	" 29th	Seed Loans Ordinance.
26	July 14th	Collection of Taxes Ordinance.
27	" 31st	Protection of Cultivators Ordinance.
28	" "	Registration of Land Ordinance.
29	" "	Co-operative Societies (Amendment) Ordinance.
30	Aug. 15th	Transfer of Land (Amendment) Ordinance.
31	Sept. 3rd	Courts (Amendment) Ordinance.
32	" "	Collective Punishments Ordinance.
33	" 9th	Bills of Exchange (Protest) Ordinance.
34	" 16th	Interpretation Ordinance.
35	" 25th	Collective Punishments (Amendment) Ordinance.
36	" 30th	Town Planning (Amendment) Ordinance.
37	" "	Trial upon Information (Amendment) Ordinance.
38	" "	Supplementary Appropriation (1928) Ordinance.
39	" "	Matches Excise (Amendment) Ordinance.
40	" "	Pensions (Amendment) Ordinance.
41	Oct. 25th	Criminal Law (Seditious Offences) Ordinance.
42	Nov. 30th	Urban Property Tax (Amendment) Ordinance.
43	Dec. 14th	Blasphemy Ordinance.
44	" "	Local Authorities (Replacement) Ordinance.
45	" "	Prevention of Crime Ordinance.
46	" 30th	Tobacco (Amendment) Ordinance, No. 2.
47	" "	Bills of Exchange Ordinance.
48	" "	Survey Ordinance.
49	" 31st	Police (Amendment) Ordinance.
50	" 30th	Customs Tariff (Amendment) Ordinance.
51	" 31st	Antiquities Ordinance.
1930		
1	Jan. 31st	Indemnity Ordinance.
2	Feb. 15th	Intoxicating Liquors (Amendment) Ordinance.
3	" "	Electricity Concession (Jerusalem) Ordinance.
4	" "	Criminal Law (Amendment) Ordinance.
5	Mar. 15th	Municipal Councils Ordinance.
6	" "	Penal Labour (Amendment) Ordinance.
7	" 31st	Collection of Taxes (Amendment) Ordinance.
8	Apr. 1st	Customs Tariff (Amendment) Ordinance.
9	" 30th	Nablus Housing (Earthquake) Ordinance.
10	May 1st	Validation of Judgments Ordinance.
11	" 15th	Ports (Amendment) Ordinance.
12	June 14th	Trade Marks (Amendment) Ordinance.
13	" "	Patents and Designs (Amendment) Ordinance.
14	July 15th	Advocates (Admission of Women) Ordinance.
15	" "	Public Health (Pharmacy) Amendment) Ordinance.
16	" 22nd	Customs Tariff (Amendment) Ordinance.
17	" 31st	Drainage Ordinance.
18	" "	Land Settlement (Amendment) Ordinance.
19	Aug. 7th	Partnership Ordinance.
20	" "	Post Office Ordinance.
21	" 30th	Bills of Exchange (Amendment) Ordinance.
22	" "	Magistrates' Courts Jurisdiction (Amendment) Ordinance.
23	" "	Supplementary Appropriation (1929) Ordinance.
24	" "	Pensions (Amendment) Ordinance.
25	Sept. 25th	Contempt of Court Ordinance.

APPENDIX VIII.

LIST OF INTERNATIONAL CONVENTIONS AND COMMERCIAL TREATIES TO WHICH PALESTINE HAS ADHERED.

The Palestine Government has adhered to the following International Conventions and Commercial Treaties signed between the British Government and Foreign Governments :—

<i>Austria</i>	...	...	May 22, 1924	...	Treaty and Declaration on Commerce and Navigation.
			Dec. 2, 1927-April, 13, 1928	...	Notes on Trade Marks
<i>Belgium</i>	...	...	June 21, 1922	...	Convention regarding Legal Proceedings in Civil and Commercial Matters
<i>Bulgaria</i>	...	...	Nov. 12, 1925	...	Notes on Commerce and Navigation
<i>Czechoslovakia</i>	...	...	July 14, 1923	...	Treaty on Commerce and Navigation
			Nov. 11, 1924	...	Convention regarding Legal Proceedings in Civil and Commercial Matters
<i>Egypt</i>	...	...	June 5-7, 1930	...	Notes on Commerce
<i>Finland</i>	...	...	Dec. 14, 1923	...	Treaty on Commerce and Navigation
<i>France</i>	...	...	Feb. 2, 1922	...	Convention regarding Legal Proceedings in Civil and Commercial Matters
<i>Germany</i>	...	...	Dec. 2, 1924	...	Treaty and Protocol on Commerce and Navigation
			Mar. 20, 1928	...	Convention with regard to Legal Proceedings in Civil and Commercial Matters
<i>Greece</i>	...	...	July 16, 1926	...	Treaty on Commerce and Navigation
			June 21, 1929	...	Notes on Consular Fees on Certificates of Origin
<i>Hungary</i>	...	...	July 23, 1926	...	Treaty on Commerce and Navigation
<i>Japan</i>	...	...	April 3, 1911	...	Treaty on Commerce and Navigation
			July 30, 1925	...	Supplementary Convention Modifying Treaty of 1911
<i>Latvia</i>	...	...	June 22, 1923	...	Treaty on Commerce and Navigation
<i>Lithuania</i>	...	...	May 6, 1922	...	Notes on Commerce and Navigation
			Nov. 28-Dec. 10, 1929	...	Notes Modifying Exchange of of Notes of May 6, 1922
<i>Persia</i>	...	...	Feb. 9, 1903	...	Convention on Commerce
			March 21, 1920	...	Agreement on Commerce
<i>Poland</i>	...	...	Nov. 26, 1923	...	Treaty on Commerce and Navigation
<i>Spain</i>	...	...	Oct. 31, 1922	...	Treaty on Commerce and Navigation
			April 5, 1927	...	Convention and Notes revising Treaty of 1922
			May 31, 1928	...	Notes revising Treaty of 1922 and Convention of 1927

APPENDIX VIII—*continued.*

<i>United States</i>	...	...	Dec. 3, 1924	...	Convention of Palestine Mandate
<i>Yugoslavia</i>	...	...	May 12, 1927	...	Treaty on Commerce and Navigation
<i>International Convention</i>			Nov. 13, 1908	...	Copyright
<i>Additional Protocol</i>	...		Mar 20, 1914	...	International Copyright Convention, 1908
<i>International Convention and Statute</i>			Apr. 20, 1921	...	Navigable Waterways
<i>Additional Protocol</i>	...		April 20, 1921	...	Navigable Waterways Convention
<i>International Convention and Statute</i>			April 20, 1921	...	Freedom of Transit
<i>International Protocol</i>	...		Sept. 24, 1923	...	Arbitration Clauses
<i>International Convention</i>			Dec. 9, 1923	...	International Regime of Railways
<i>International Convention</i>			Dec. 9, 1923	...	International Regime of Maritime Ports

REPORTS by H.M. Trade Commissioners, Commercial, Diplomatic and Consular Officers on commercial and financial conditions in the following countries, issued, or in course of preparation, by the Department of Overseas Trade :—

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Colombia	4s. 3d. (4s. 6d.)	Roumania	1s. 0d. (1s. 1d.)
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French West Africa	1s. 6d. (1s. 7d.)	Turkey	1s. 9d. (1s. 10d.)
Germany	4s. 6d. (4s. 11d.)	Uruguay	1s. 6d. (1s. 7d.)
Hungary	1s. 6d. (1s. 7d.)	Venezuela	9d. (10d.)
India	3s. 6d. (3s. 10d.)	Yugoslavia	1s. 0d. (1s. 1d.)
Italy	3s. 6d. (3s. 8d.)		
Japan	2s. 6d. (2s. 8d.)		

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Argentina	3s. 6d. (3s. 8d.)	Germany	(In preparation)
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Belgium	4s. 0d. (4s. 3d.)	Italy	4s. 0d. (4s. 3d.)
Bolivia	1s. 0d. (1s. 1d.)	Mexico	1s. 6d. (1s. 7d.)
Brazil	3s. 6d. (3s. 8d.)	Netherlands	4s. 6d. (4s. 9d.)
British East Africa	2s. 9d. (2s. 11d.)	Newfoundland	2s. 0d. (2s. 2d.)
British Malaya	2s. 0d. (2s. 2d.)	New Zealand	2s. 0d. (2s. 2d.)
British West Indies	2s. 6d. (2s. 8d.)	Palestine	(See cover)
Canary Islands	1s. 9d. (1s. 10d.)	Peru	(In preparation)
Chile	3s. 0d. (3s. 2d.)	Poland	1s. 6d. (1s. 8d.)
Czechoslovakia	1s. 6d. (1s. 7d.)	Roumania	2s. 6d. (2s. 8d.)
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DEPARTMENT OF OVERSEAS TRADE

Economic Conditions in PALESTINE

JULY, 1935

REPORT

By C. EMPSON
British Commercial Agent, Haifa

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DEPARTMENT OF OVERSEAS TRADE

COMMERCIAL REPRESENTATION ABROAD.

To foster British overseas trade, the Department controls the following Services of Commercial Intelligence Officers :—

1. IN THE EMPIRE.

The Trade Commissioner and Imperial Trade Correspondent Services.

At the present time there are 16 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg); two each in South Africa (Capetown, Johannesburg), Australia (Sydney, Melbourne), India (Calcutta and Bombay—to cover also Ceylon), and British West Indies (Trinidad, Jamaica); and one each in New Zealand (Wellington), Irish Free State (Dublin), Malaya (Singapore) and British East Africa (Nairobi).

The Trade Commissioners have the assistance of Imperial Trade Correspondents at a number of important centres.

There are also Imperial Trade Correspondents in those parts of the Empire to which Trade Commissioners have not been appointed.

The Department is represented in Palestine by Mr. C. Empson, His Majesty's Commercial Agent at Haifa.

2. IN FOREIGN COUNTRIES.

(a) The Commercial Diplomatic Service attached to the British Diplomatic Missions.

There are 38 Commercial Diplomatic posts situated in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the three lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular officers in his area and, with the co-operation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

(b) The British Consular Service.

Particular attention has been given to the commercial side of consular work since the re-organisation of the service. In certain countries where no Commercial Diplomatic Officer is stationed the senior Consular Officer undertakes duties of a similar character.

Further information regarding the above services can be obtained on application to the Department of Overseas Trade, 35, Old Queen Street, London, S.W.1.

Members of United Kingdom firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's Officers.

NOTE.

It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects those of the Department.

Prof. Naum
Brit. Gov. Pub.
Sathesau
10-28-35

TABLE OF CONTENTS

	<i>Page</i>
COMMERCIAL SUMMARY	vi
HINTS FOR COMMERCIAL VISITORS	viii
 I. INTRODUCTION.	
The Mandate	1
The Executive	1
Jewish Organisations	2
 II. FINANCE.	
General	2
Sources of Revenue	4
Public Debt	4
Currency	4
Banking	5
Credit and Interest Rates	6
Stocks and Shares	6
 III. TRADE.	
General	7
Specie	7
Trade with the U.K. and other parts of the British Empire	8
Trade with Other Countries	10
Trade Statistics in 1935	12
Methods of Business	13
Principal Imports	14
Building Materials	15
Motor Vehicles	17
Textiles and Yarns	19
Apparel	22
Foodstuffs and Provisions	24
Alcoholic beverages and Mineral Waters	29
Tobacco	30
Vegetable oils and oil seeds	31
Machinery and plant	31
Electrical Goods and Apparatus	34
Fuel, Kerosene, Lubricating Oil and Petroleum	35
Wood	36
Glassware	37
Stationery and Paper	37
Leather	39
Metals and Manufactures thereof	39
Instruments	42
Cutlery	42
Musical Instruments	42
Toys and Games	42
Oilcloth and Linoleum	43
Chemicals, Fertilisers, Medicines, etc.	43
Used Personal Effects	44
Importations by the I.P.C.	44

	<i>Page</i>
Principal Exports—	
Citrus Fruits	44
Fruit Juices and Products	45
Alcoholic Beverages	45
Barley	45
Trade Fairs	45

IV. NATURAL RESOURCES.

Agriculture—	
General	46
The Jewish Agricultural Settlements	47
The German Templar Colony	48
Citrus Fruits	49
Livestock and Dairy Produce	51
Olives, Almonds and other Trees	51
Tobacco	52
Cereals and other Crops	52
Fisheries	52
Mineral Resources	53
Mineral Springs	53

V. INDUSTRY.

General	53
Dead Sea Salts	54
Cement	54
Vegetable Oils and Soap	55
Wine, Distilleries, and Beer	56
Fruit Juices and Products	57
Tobacco and Matches	57
Textiles and Apparel	58
Metals	58
Artificial Teeth	58
Woodwork	58
Flour Mills and Bakeries	59
Bricks, Stone and Tiles	59
Tanneries, Shoe Making, etc.	60
Glass	60
Printing and Paper	60
Chemicals	60
Iraq Petroleum Company	60

VI. FUEL AND POWER.

Fuel	62
Electric Power	63
The Jerusalem and Public Service Corporation	63
The Palestine Electric Corporation	63

VII. TRANSPORT AND COMMUNICATIONS.

Shipping—									<i>Page</i>
Ports—									
Haifa ...	...	...	...	...	...	...	...	...	64
Jaffa ...	...	...	...	...	...	...	...	...	65
Cargo Tonnage handled ...	...	...	...	...	...	...	...	...	65
Services ...	...	...	...	...	...	...	...	...	66
Air Routes ...	...	...	...	...	...	...	...	...	68
Railways ...	...	...	...	...	...	...	...	...	68
Roads ...	...	...	...	...	...	...	...	...	70
Road and Rail Co-ordination ...	...	...	...	...	...	...	...	...	72
Posts, Telegraphs and Telephones ...	...	...	...	...	...	...	...	...	72
The Tourist Traffic ...	...	...	...	...	...	...	...	...	72

VIII. PUBLIC AND OTHER DEVELOPMENT WORKS.

Government and Municipal Works ...	...	...	...	...	...	...	...	...	73
Other Development Works ...	...	...	...	...	...	...	...	...	74

IX. SOCIAL QUESTIONS.

Labour—Legislation ...	...	...	...	...	...	...	...	...	74
Wages and Hours of Work ...	...	...	...	...	...	...	...	...	75
Unemployment ...	...	...	...	...	...	...	...	...	75
Labour Organisations ...	...	...	...	...	...	...	...	...	76
Industrial Disputes ...	...	...	...	...	...	...	...	...	77
Immigration ...	...	...	...	...	...	...	...	...	77
Housing and Land Values ...	...	...	...	...	...	...	...	...	78
Cost of Living and Wholesale Prices ...	...	...	...	...	...	...	...	...	79
The Co-operative Movement ...	...	...	...	...	...	...	...	...	79

X. LEGISLATION.

Commercial Code ...	...	...	...	...	...	...	...	...	81
Jurisdiction ...	...	...	...	...	...	...	...	...	81
Customs Tariff ...	...	...	...	...	...	...	...	...	83
Invoice Regulations ...	...	...	...	...	...	...	...	...	84
International Agreements ...	...	...	...	...	...	...	...	...	84

XI. CONCLUSION	84
--------------------	-----	-----	-----	-----	-----	-----	-----	-----	----

APPENDICES.

- A. Imports by Countries.
- B. Exports by Countries.
- C. Principal Articles Imported.
- D. Total Imports and Exports.
- E. Imports and Exports by Classes.
- F. Agricultural Exports.
- G. Manufactured Exports.
- H. Nationality of Shipping entered at Ports.
- I. Number and Tonnage of Shipping entered at each Port.

COMMERCIAL SUMMARY

(Palestine not including Trans-Jordan).

Area : About 10,100 square miles (slightly larger than Wales and smaller than Belgium).

Population : 1931 census—1,035,821.

Estimated population, July, 1935 :—

Muslim	...	...	850,000
Jews	...	...	300,000
Christians	...	...	100,000

Total	1,250,000
-------	-----	-----	-----------

Towns :

Jerusalem	...	...	105,000
Tel Aviv	...	...	120,000 (all Jewish).
Jaffa	...	...	65,000
Haifa	...	...	Over 80,000

Immigration : Net increase of population due to recorded migration—

1933	...	...	41,891
1934	...	...	47,807

In 1934, 5,193 immigrants were registered in category A(i) with a minimum capital of £P.1,000.

Languages : English, Arabic and Hebrew are the three official languages, but German and French are widely used in commercial correspondence.

Monetary Unit : The currency is linked with sterling. One Palestine pound (£P.1.000)=1,000 mils=£1 sterling. (10 mils is commonly called a Palestinian piastre—2½d.)

Weights and Measures : The metric system of weights and measures is used by the Government, the Customs Department and the Railways, and to a large extent in commerce ; but the following local standards are of importance :—

Weight—

1 okieh=0.24 kilos (Jerusalem) }
0.21 kilos (Haifa) } =roughly ½ lb.

1 rotl=12 okieh=2.88 kilos (Jerusalem) }
2.56 kilos (Haifa) } =roughly 6 lbs.

1 kantar=100 rotls.

Length—

Cloth—

1 pic (baladi)=0.677 metres=26.6 inches.

Land—

1 pic (mimari)=0.758 metres=30.0 inches.

Area—

Land—

1 sq. pic=0.572 sq. metres.

1 dunam=1,600 sq. pics=0.227 acres=919 sq. metres.

1 metric dunam=1,000 sq. metres=0.247 acres.

Imports.

Value of total imports for local consumption, exclusive of specie :—

1932 : £P.7,768,920 ; 1933 : £P.11,123,489 ; 1934 : £P.15,152,781.

Principal imports :—

Building materials, iron joists, wood and timber, wheat and foodstuffs, piecegoods and apparel, machinery, motor vehicles, petrol and kerosene, manufactured articles of all kinds.

						1934. £P.
Value of imports from the United Kingdom	...	...	...	...	...	2,960,706
„ „ „ other parts of the British Empire	...	...	...	...	...	526,406
„ „ „ Germany	...	...	...	...	...	1,658,993
„ „ „ U.S.A.	...	...	...	...	...	1,283,484
„ „ „ Syria	...	...	...	...	...	1,083,095
„ „ „ Roumania	...	...	...	...	...	953,343
„ „ „ Japan	...	...	...	...	...	593,552

Exports.

Value of total exports exclusive of specie :—1932 : £P.2,381,491 ; 1933 : £P.2,591,617 ; 1934 : £P.3,217,562.

Principal exports :—

Citrus fruit, soap and edible oils, potash and bromine, knitted goods, artificial teeth.

						1934. £P.
Value of exports to the United Kingdom	...	...	...	...	...	1,785,014
„ „ other parts of the British Empire	...	...	...	...	...	79,195
„ „ Germany	...	...	...	...	...	600,669
„ „ Syria	...	...	...	...	...	222,643

Railway mileage : 983 kilometres of main line open to traffic. (Palestine and Trans-Jordan.)

HINTS FOR COMMERCIAL VISITORS

Best Season for a visit.—From a climatic point of view the best time to visit Palestine is from February to May, and this is the tourist season; but there is nothing in the climate at other times of the year to prevent a business visit. July, August and September are hot, the absolute maximum temperature varying from 114°F. in the Jordan Valley to 104°F. in the maritime plain (Haifa and Jaffa-Tel Aviv), and 102°F. at Jerusalem in the central highlands. Tropical clothing is then advisable, but solar topees are not essential. January and February are cold, the absolute minimum temperature varying from 35°F. at Haifa to 34°F. in the Jordan Valley, and 21°F. at Jerusalem. The rainy season is from December to April, and although the rainfall is not particularly high, it may be difficult during that period to visit agricultural settlements and other places of interest off the main roads.

Buying Seasons.—Generally speaking, there are two main buying seasons for placing orders abroad, from February to April for the summer trade, and from September to November for the winter trade; a commercial traveller should visit Palestine three or four months in advance of the season when his goods are likely to be used. However, the recent expansion in demand has at present to some extent eradicated the old "slack seasons" for the import trade.

Facilities for shipment to Palestine are greatest during the citrus export season, from November to April.

Most of the local retail business is perhaps done in the spring (the main tourist and immigrant season), with a secondary season in the summer, when the harvest is in.

Passports and Quarantine.—Visitors to Palestine must be in possession of passports, if British, endorsed, and otherwise, visaed, for Palestine. Visitors wishing to remain in the country more than three months (or the period allowed by their visas) must apply to the immigration authorities for permission. British Consuls issue visas for Palestine. Travellers are required to produce separate passport photographs on entry and to report to the nearest office of the Palestine Health Department within 48 hours of arrival.

Most convenient routes from the United Kingdom.—

(a) By sea :—

(i) By P. & O., Blue Funnel, Bibby or other lines from London or Liverpool to Port Said and train to Jerusalem, Jaffa-Tel Aviv, or Haifa.

(ii) By Lloyd Triestino, Messageries Maritimes or American Export from continental port to Haifa or Jaffa.

Time taken : 6 or 7 days by Marseilles or 12 days by long sea.

Average single fares from London to Haifa : 1st, £37 to £48 ; 2nd, £25 to £35.

Return fares : generally 10 per cent. less than the two single fares.

There are also slower and cheaper services.

During the summer reduced fares are offered by the shipping companies.

(b) By rail :—

Simplon-Orient, and Taurus Express to Tripoli and car to Palestine ; service twice weekly.

Time taken : 5 days.

Single fare from London to Haifa : 1st, £35 ; 2nd, £27 (without sleepers).

Return fare from London to Haifa : 1st, £56 ; 2nd, £43 (without sleepers).

(c) By air :

Imperial Airways : Croydon to Gaza, twice weekly.

Time taken : 3 days to Gaza.

Single fare : £47. *Return fare* : £84 12s.

(alternatively, by Imperial Airways to Egypt and daily train or Misr Airwork daily air service to Palestine).

Internal communications.—Messrs. Thos. Cook have offices in Jerusalem and Haifa, and there are other tourist organisations.

The three commercial centres to be visited are Jerusalem, Haifa and Jaffa-Tel Aviv. Haifa is 107 miles and Jaffa 39 miles from Jerusalem. The four railway lines from (i) Egypt, (ii) Jerusalem, (iii) Jaffa-Tel Aviv, and (iv) Haifa meet at Lydda Junction. There are two trains daily on each line, the time taken being Jerusalem—Lydda two hours, Lydda—Jaffa-Tel Aviv half-hour, Lydda—Haifa 2½ hours.

Fares, 1st class :—

		<i>Single.</i> mils	<i>Return.</i> mils
Jerusalem—Lydda	... ..	240	300
Lydda—Jaffa-Tel Aviv	... ..	120	150
		£P.	£P.
Lydda—Haifa	... ..	1·000	1·250

There are good main roads between Jerusalem and Haifa and Jerusalem and Jaffa-Tel Aviv; but no direct main road between Haifa and Jaffa-Tel Aviv. Car and frequent bus services run on these roads. The average fare for a five-seater car between Jerusalem and Haifa is £P.3·000 (time taken 3½ hours), and between Jerusalem and Jaffa-Tel Aviv £P.1·500 (1½ hours). Touring cars may be hired on a daily basis.

Communications with Neighbouring Countries.

Syria.—The most convenient means of visiting Syria is by car or bus. Jerusalem to Damascus via Tiberias is 240 miles (8 hours) fare for a five-seater taxi is not less than £P.5·000.

Jerusalem to Beirut via Haifa is 212 miles (7 hours), fare for a five-seater taxi £P.4·500.

Iraq.—The Nairn Transport Company operate convoys from Haifa twice a week (Mondays and Thursdays), to connect with their trans-desert motor services from Damascus to Bagdad; time taken Haifa—Bagdad 2 days; 1st class fare £8 10s. The alternative route is by Imperial Airways once a week from Gaza to Bagdad; time taken 6 hours; fare £20. A direct motor road between Haifa and Bagdad is being opened up and passenger services by this route are being organised.

Egypt.—There is a daily mail train between Palestine and Egypt; time taken Port Said—Lydda 10 hours; 1st class fare £3 2s. 6d., sleeper supplement £1 3s., plus usual gratuity to attendant.

Misr Airwork operate an air service daily between Cairo and Haifa; time taken Cairo—Haifa 4 hours; fare £P.7 3s. 6d. Regular sailings between Haifa or Jaffa and Alexandria are provided by the Lloyd Triestino, Messageries Maritimes, American Export, and Hellenic Coast lines.

General.—For business purposes Palestine may conveniently be included in a tour of Eastern Mediterranean territories.

Hotels.—Amongst the leading hotels are :

At Jerusalem	... ..	King David, Fast and Citadel.
At Haifa	... ..	Windsor, Appinger's, Savoy, Zion, Hadar Hacarmel;
At Jaffa	... ..	Cliff, Jerusalem;
At Tel Aviv	... ..	Palatin, San Remo, Ritz.

From January to April inclusive, single pension rates are £1 12s. a day at the King David and 18s. to £1 4s. elsewhere. During the "off season" (May to December inclusive), these rates are usually reduced by at least 10 per cent. A gratuity of 10 per cent. is normal and added to the bill. The cost of business entertaining at hotels is about 10 per cent. more than it would be in England.

Regulations.

Commercial Travellers.—There are no special regulations applying to commercial travellers.

Samples.—Details of trade samples must be declared to the customs in writing on arrival, and a deposit made of the full duty payable. On re-export of samples within six months, the deposit is refunded against the documents.

Public Holidays.

The official weekly holiday of the Palestine Government and of the Banks is Sunday. Muslim business houses take Friday, Jewish Saturday, Christian Sunday.

Other Holidays.—The King's Birthday (3rd June).

Christians: New Year's Day; Epiphany; Good Friday; Easter Monday; Ascension Day; Whit Monday; Christmas Day; Boxing Day (Gregorian or Julian calendar as the case may be).

Moslems: Nebi Musa; 'Id al-Fitr (Sheker Bairam), 3 days; 'Id al Adha (Qurban Bairam), 3 days; Maulud (Muhammadan calendar).

Jews: Passover, 2 days; Pentecost; New Year, 2 days; Atonement, 1 day; Tabernacles, 2 days (Jewish calendar).

Banks.

The leading foreign banks are: Barclays (Dominion, Colonial and Overseas); Ottoman; Banco-di-Roma; Anglo-Palestine; Tempelgesellschaft.

Chambers of Commerce.

There is a Chamber of Commerce in Jerusalem, and separate Arab and Jewish Chambers in Haifa and Jaffa-Tel Aviv. There is a Jewish Manufacturers' Association in Tel Aviv with branches in Haifa and Jerusalem.

REPORT ON ECONOMIC CONDITIONS IN PALESTINE

(July 1935)

I.—INTRODUCTION

The Mandate.—Palestine was part of the pre-war Ottoman Empire and has been under British administration since its occupation by the British forces in 1917 during the Great War: from 1917 to 1920 it was administered by the Occupied Enemy Territory Administration and subsequently by a Civil Administration under the control of a High Commissioner.

Under the Balfour Declaration of the 2nd November, 1917, H.M. Government in the U.K. undertook to use their best endeavours to facilitate the establishment in Palestine of a National Home for the Jewish people, "it being understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by the Jews in any other country".

The Mandate for Palestine entered into force on the 29th September, 1923.

The Balfour Declaration is embodied in the mandate, which provides for the establishment of the present "Jewish Agency for Palestine" to advise and co-operate with the administration in questions relating to the Jewish National Home and the interests of the Jewish population.

From the commercial point of view article 18 of the Mandate is of special importance since it lays down that there shall be no discrimination in Palestine against the nationals or goods of any State Member of the League of Nations, and that there shall be freedom of transit under equitable conditions across the mandated area.

In general, Palestine is an open-door market without exchange restrictions or quotas apart from the permit system applied to flour, wheat, rye, acid and unrefined olive oil, and, since it is not a British colony, grants no tariff preference to British trade.

The Executive.—The High Commissioner is head of the executive, administers the Government, and promulgates ordinances which have the force of law. He is assisted by the Executive Council which consists of the Chief Secretary, the Attorney-General, and the Treasurer, and the Advisory Council comprising the Executive Council plus the Heads of the principal Government Departments.

The Department of Customs, Excise and Trade deals with questions affecting trade; and there is a Standing Committee for Commerce and Industry of which the Treasurer is Chairman and which acts as an advisory board in such matters. It sits in Jerusalem and includes non-official members.

Jewish Organisations.—Apart from the Jewish Agency and associated bodies, Jewish settlement in Palestine has resulted in the establishment of a number of organisations.

Among these may be mentioned certain public utility bodies such as the Palestine Jewish Colonisation Association (P.I.C.A.) ; the Palestine Economic Corporation of New York; the Palestine Corporation Ltd. of London. The Jewish Colonisation Association (I.C.A.) engages in some activities in Palestine, such as co-operation in the settlement organisation known as the Emica Association.

II.—FINANCE

General.—The financial year of the Palestine Government ends on the 31st March.

The totals of revenue and expenditure during recent years were as follows :—

	<i>Actuals.</i>	
	<i>Revenue.</i>	<i>Expenditure.</i>
	£P.	£P.
1932-33	3,015,917	2,516,394
1933-34	3,985,493	2,704,856
1934-35	5,452,663	3,230,010

The surplus balance of the Palestine Government increased as follows :—

	<i>Actuals.</i>	
		£P.
31st March, 1933	1,230,296
31st March, 1934	2,510,932
31st March, 1935	4,733,555
30th June, 1935	5,587,837

Revenue.—The following are totals to the nearest £P. under the official heads of revenue :—

	1933-34. (Actuals.)	1934-35. (Revised Estimates.)	1934-35. (Actuals.)
	£P.	£P.	£P.
<i>Heads of Revenue—</i>			
1. Customs	1,868,598	2,650,000	2,600,370
2. Port and Marine	56,489	80,000	90,701
3. Licences, Taxes, etc.	857,180	1,010,000	1,075,294
4. Fees of Court or Office, Receipts for Specific Services and Reim- bursements	534,355	700,000	845,923
5. Posts and Telegraphs	287,843	335,000	355,817
6. Revenue from Government pro- perty	14,420	30,000	21,618
7. Interest	56,896	95,000	97,101
8. Miscellaneous	121,337	150,000	177,886
9. Land Sales	26,609	8,500	31,639
10. Grant-in-Aid	137,760	140,000	141,367
11. Colonial Development Fund	24,006	14,000	14,913
	<hr/> 3,985,493	<hr/> 5,212,500	<hr/> 5,452,633

Expenditure.—The following are totals to the nearest £P. under the official heads of expenditure.

	1933-34. (Actuals.)	1934-35. (Revised Estimates.)	1934-35. (Actuals.)
	£P.	£P.	£P.
1. Pensions	24,193	26,500	28,747
2. Public Debt and Loan Charges ...	127,198	126,900	126,904
3. His Excellency the High Commissioner	9,313	11,000	10,693
4. Secretariat	25,433	25,000	24,734
5. District Administration	97,712	106,000	108,790
6. Local Department	10,451	10,500	10,293
7. Judicial Department	89,534	91,000	91,545
8. Treasury	15,745	16,400	16,552
9. Audit Department	12,181	12,700	12,792
10. Customs, Excise and Trade	94,395	145,000	147,620
11. Department of Health	135,838	165,000	166,310
12. Department of Education	179,635	200,000	201,497
13. Department of Agriculture and Forests	115,076	142,000	147,285
14. Antiquities Department	8,359	18,000	17,196
15. Land Settlement	27,298	112,500	26,541
16. Lands Department	20,024		21,454
17. Survey Department	60,007		62,810
18. Department of Development	7,822	7,000	6,901
19. Police and Prisons	486,605	505,000	506,712
20. Department of Immigration	21,392	25,000	29,436
21. Trans-Jordan Frontier Force	172,318	171,000	165,164
22. Defence	110,125	135,000	144,118
23. Posts and Telegraphs	167,245	215,000	225,048
24. Public Works Department	49,496	50,000	48,943
25. Public Works Recurrent	189,369	215,000	228,874
26. Miscellaneous	189,908	250,000	257,867
27. Posts and Telegraphs Extraordinary	27,487	75,000	71,622
28. Public Works Extraordinary	134,359	255,000	262,877
29. Trans-Jordan Frontier Force Extraordinary	13,075	30,000	26,592
30. Railways	59,259	86,500	33,805
31. Colonial Development	24,002	253	270
	<hr/> 2,704,856	<hr/> 3,228,253	<hr/> 3,230,010

Sources of Revenue.—The principal source of revenue is under the head " Customs " accounting for 47 per cent. of the total in 1933-34 and 48 per cent. in 1934-35. This practically all represents Customs import duties which were greatest in 1934-35 under the heads: petrol and paraffin; sugar, wheat and other foodstuffs; motor vehicles; textiles and apparel; tobacco; building materials. Total collections of import duty rose both in 1933-34 and also in 1934-35, owing, in general, to progressive increases in importations to meet the needs of the expanding population discussed elsewhere in this report.

The next most important head of revenue is " Licences, Taxes, etc.," accounting for 22 per cent. of the total in 1933-34 and 20 per cent. in 1934-35. It includes excise duties (matches, salt, tobacco, wines and spirits); property taxes and tithes; stamp duties; road transport fees; animal tax; licences of all kinds; fines and forfeitures. Returns from excise duties have increased owing to the greater local consumption; from property taxes owing to the rise in land values and growth of urban areas; from road transport fees owing to the larger number of vehicles in use; and from other items owing to the favourable conditions obtaining. On the other hand, as a consequence of successive bad agricultural seasons during the years 1931-34, it was necessary to relieve distress by the remission of tithes and annual taxes both in 1933-34 and, to a less extent, in 1934-35. The tithe due on Summer crops in 1933-34 was, for example, totally remitted.

Public Debt.—An issue of £P.4,475,000 5 per cent. guaranteed stock (1942-1967) was subscribed in England in 1927. The principal and interest are guaranteed by the British Treasury under the " Palestine and East African Loans Act, 1926 ": payment is secured upon the general revenues and assets of Palestine. By the 31st March, 1935, expenditure funded by this loan had amounted to £P.4,381,268.

Projected Loan.—The Palestine Loan Ordinance No. 28 of 1934 provides for a further loan not exceeding £2,000,000 guaranteed under the Palestine Loan Act, 1934. Although this loan has not yet been floated, expenditure has been incurred in anticipation. The bulk of the loan is to meet the cost of municipal water supplies and drainage schemes, the annual charges of which will ultimately be met from specific fees or rates.

H.M. Government have approved free grants from the Colonial Development Fund of the interest payable for a limited period on the loan in respect of the capital cost of certain of the water supply and drainage schemes.

Currency.—The Palestine currency is linked with the pound sterling. It is also current in Trans-Jordan. The Palestine Pound (£P.1·000) is equal in value to the pound sterling and divided into

1,000 mils. Each coin and note bears its denomination in English, Arabic and Hebrew.

The currency is controlled by a Board sitting in London.

The circulation has doubled within three years as follows :—

		<i>Notes.</i>	<i>Coin.</i>	<i>Total.</i>
		£P.	£P.	£P.
31st March, 1932	...	2,078,168	330,496	2,408,664
31st March, 1933	...	2,487,920	333,744	2,821,664
31st March, 1934	...	3,651,580	418,084	4,069,664
31st March, 1935	...	4,809,168	517,060	5,326,228
(31st May, 1935	...	5,002,076	539,152	5,541,228)

Banking.—Barclays Bank (Dominion, Colonial and Overseas) are the bankers of the Palestine Government and agents for the Currency Board. They have branches in the main trade centres of Palestine as have also the Ottoman Bank, the Anglo Palestine Bank and the Banco di Roma.

Other banks include the Bank der Tempelgesellschaft (Bank of the Temple Society), the Polish Guardian Bank, the Holland Bank Union, the Belgo-Palestine Bank, the Ashrai Bank, the Workers Bank, the Mizrahi Bank, the Arab Bank, the Central Bank of Co-operative Institutions, the Palestine Mercantile Bank, the General Mortgage Bank, the Palestine Mortgage and Credit Bank, the Loan Bank, the Kupat Am Bank, Ellerns Bank and the Jacob Japhet Bank.

There were, indeed, over 85 banks actually carrying on business in Palestine at the end of 1934 of which nine were foreign banks. The local institutions included 61 commercial banks, four credit banks, and 14 co-operative societies registered as banks. The total has increased in 1935, and there are also many credit and savings co-operatives which are not required to register as banks.

The majority of these institutions have been set up within the past few years, fostered by the sustained influx of immigrants and of capital, by the increase in employment and wages, and by the fact that more citrus groves have come to production and provided returns for their owners.

It is estimated that deposits with the principal banks in Palestine amount at present to over £P.15,000,000.

A committee appointed in November, 1933, by the Palestine Government to propose legislation to govern the formation of banks has submitted its report. It is understood that among the recommendations of this committee is a proposal that a paid-up share

capital of £P.25,000 should be obligatory for local, and a considerably higher figure for foreign banks. The legislation to effect such measures has not been enacted at the time of writing.

Of Arab institutions, the Arab Bank has increased its capital, and an Arab Agricultural Bank has been formed.

It is noteworthy that no failures have been reported involving banks.

A number of investment trusts have recently been formed.

Credit and Interest Rates.—All banks grant short term commercial credits. Long term credits are more difficult to obtain, but are granted, to some extent, by the banks and other institutions including co-operatives, for agricultural and building purposes. For instance, the General Mortgage Bank of Palestine grants long-term building loans; while the chief local source of long-term loans for the co-operative movement is the Central Bank of Co-operative Institutions which grants short, intermediate and long-term loans up to ten years. This bank lent £P.289,000 in 1934 to agricultural co-operative societies.

Such development organisations as the Palestine Economic Corporation of New York and the Palestine Corporation Ltd. are also an important source of credit for agricultural and industrial development.

There is no official bank rate in Palestine. The maximum legal rate of interest is 9 per cent. and this is the rate commonly charged on hire purchase agreements. The actual rates charged by money-lenders, especially to peasants, used to be, and probably still are, much higher; but the situation in this respect is being changed by the activities of co-operative credit institutions (see p. 79). The average rate charged by banks and other credit institutions for loans on good security is 6 per cent. Discount rates on first-class trade bills are at 6 per cent. to 7 per cent. The rate of interest charged by a supplier abroad on bills etc. to his agent or customer in Palestine is 5 per cent. to 7 per cent.

Stocks and Shares.—There is no bourse in Palestine. Purchase of shares in Palestinian Companies are negotiated through the banks, brokers, and such establishments as the Industrial and Financial Corporation of Palestine (Ifico) Ltd. or the Investment and Trust Co. Ltd. Quotations are not published by any local institution.

III. -TRADE

General.—The following is a summary of the import and export statistics :—

Foreign Trade of Palestine.

Exclusive of specie and goods in transit.

(in thousands of pounds Palestinian—£P.1'000 = £1 sterling.)

				<i>Calendar years.</i>			
				<i>1931.</i>	<i>1932.</i>	<i>1933.</i>	<i>1934.</i>
Total Imports	...	...	...	5,940	7,769	11,123	15,153
Exports of Palestinian Produce...				1,572	2,381	2,592	3,218
Re-exports of foreign goods	...			251	244	319	284
Total Exports	...	...	...	1,823	2,625	2,911	3,502
Apparent Adverse Balance of Trade				4,117	5,144	8,212	11,651

During the three previous years 1928 to 1930 the apparent adverse balance amounted to about £5,000,000 annually : so that this amount appears to be the normal offset by various invisible items such as expenditure in the country by the British Government and Forces, by tourists, by religious and relief missions, by British and foreign companies, interests, and individuals generally; capital brought into the country by immigrants and Zionist organisations; profits on the re-export and transit trade; and returns from investment abroad of Palestinian capital. The fact that this normal passive balance has doubled during the past two years is mainly due to the great increase in the import of capital which, under present international conditions, can for the most part be moved from country to country only in the form of goods. A proportion of the increase represents greater importation by companies not financed by Palestinian capital.

Practically all kinds of manufactured goods are imported, since, although new local industries are developing, none of them, in existing conditions, can be said to meet the local demand. Importation of raw materials and semi-manufactured articles for local industry is rapidly increasing.

As regards exports, citrus fruits accounted for £P.2,672,000 of the total in 1934. Of the remaining £P.830,000 the principal items in 1934 were potash and bromine, soap, wearing apparel (chiefly knitted goods), animal products, artificial teeth, and edible oils. There is little export of the products of local industry.

Specie.—The following statistics of movement of specie (chiefly gold coin and bullion) are not included in the foregoing foreign trade totals.

				<i>Value in £P.</i>			
				<i>1931.</i>	<i>1932.</i>	<i>1933.</i>	<i>1934.</i>
Imports of Specie	...	...	...	2,025	155,501	145,306	273,430
Exports of Specie	...	...	...	226,467	1,505,952	841,878	850,260

Although the demand for gold in Europe has resulted in a considerable (and no doubt profitable) export in the form of coin and in other forms, it is unlikely that the nett outward movement amounted during the years 1931-34 to a figure approaching the £P.2,848,000 indicated by this table. The export of gold from Egypt and Syria is prohibited, but much gold has apparently reached Palestine from these countries. There is no duty or restriction on gold movement in Palestine. Indeed, it is believed that banks in Palestine hold quantities of gold coin on behalf of their clients, some of whom have bought gold as an investment.

Trade with the U.K. and other parts of the British Empire.—Recent statistics of Anglo-Palestine trade exclusive of specie, re-exports, and goods in transit are :—

		(in thousands of pounds Palestinian).			
		1931.	1932.	1933.	1934.
Imports—					
From the United Kingdom ...		998	1,522	1,950	2,961
United Kingdom percentage ...		16·80	19·98	17·53	19·54
		per cent.	per cent.	per cent.	per cent.
Exports—					
To the United Kingdom ...		708	1,342	1,559	1,785
United Kingdom percentage ...		45·04	56·35	60·17	55·46
		per cent.	per cent.	per cent.	per cent.
Balance of visible trade in favour					
of the United Kingdom ...		290	180	391	1,176
Total value of imports from other					
British territories		159	217	452	526
Total value of exports to other					
British territories		41	80	61	79

During the four years 1931-34 the value of imports to Palestine from the U.K. thus rose from about £1 million in 1931 to about £3 million in 1934: but the U.K. percentage share in Palestine's total imports never quite reached one-fifth in any of those years.

It must, moreover, be noted that, from the 1st January, 1934, the Customs statistics were compiled on the basis of countries of origin, whereas, before that date, they were compiled on the basis of countries of consignment. The volume of goods not of Egyptian origin consigned from Egypt to Palestine is considerable, and it includes a large proportion of goods of U.K. origin. The apparent rise by 2 per cent. in the U.K. share of the market in 1934 as compared with 1933 is due to some extent to this change in the

basis of compilation. The point is illustrated by the following extracts of import statistics relating to Government and Military stores.

					(in thousands of pounds Palestinian).	
					1933.	1934.
					(By countries of consignment.)	(By countries of origin.)
Palestine Government stores—						
Total	...	...	...	...	326	587
{ U.K.	...	...	...	...	287	520
{ Egypt	...	...	...	...	23	12
Trans-Jordan Government stores—						
Total	...	...	...	...	36	4
{ U.K.	...	...	...	...	35	4
{ Egypt	...	...	...	...	—	—
Military stores—						
Total	...	...	...	...	344	243
{ U.K.	...	...	...	...	37	239
{ Egypt	...	...	...	...	306	2
Navy, Army and Air Force Institute stores—						
Total	...	...	...	...	79	54
{ U.K.	...	...	...	...	2	52
{ Egypt	...	...	...	...	76	—
Grand total of above official stores					785	888
{ U.K.	...	...	...	...	361	815
{ Egypt	...	...	...	...	405	14

As, in both years, such stores were mainly purchased in the U.K., it is evident that comparison of statistics of imports from the U.K. between periods before and after the 1st January, 1934, is liable to mislead.

Further, in order to estimate the share of the U.K. in the open markets of Palestine, it is necessary to eliminate Government and Military stores. In 1934, the value of merchandise imported for local consumption exclusive of such stores was £P.14,265,000, of which £P.2,146,000 or only 15 per cent. was of U.K. origin in spite of the fact that many large importers, such as the Iraq Petroleum Coy. or the Palestine Electric Corporation, are incorporated in the U.K., or financed from the U.K., and purchase a much greater proportion of their requirements in the U.K. than 15 per cent.

It may seem surprising that the U.K. share in the markets of Palestine remains so low after eighteen years of British administration; but Palestine, as mentioned on p. 1, represents an "open door" market without tariff preference or discrimination and although a demand is developing for quality goods, price remains a predominating factor and competition is keen. There is definite feeling of goodwill towards U.K. goods of which the quality is generally acknowledged. The advantages of buying from the country's best customer are beginning to be appreciated. The established British connections, especially in banking and insurance, the link of the currency with sterling, the considerable British community, the widespread knowledge of the English language, are other factors to the advantage of U.K. suppliers. In 1934, an association known as the Palestine British Trade Association was formed locally to assist and foster trade between the two countries.

Almost every variety of manufacture is imported from the U.K. in a greater or less degree, but the imports from the U.K. of highest value are: textiles (especially woollen) and apparel; machines and engines, motor-cars and motor-cycles, sewing machines; fertilisers; electric motors and electrical goods; tin and iron sheets; iron tubes; sanitary ware; cement; paints; foodstuffs and provision.

As regards imports to Palestine from British territories other than the U.K., the outstanding items are: from Australia and New Zealand—wheat, flour, butter and frozen meat; from India—rice, ground-nuts and oil seeds, spices and tea. Since perishable foodstuffs are consigned via Egypt, the apparent increase in importations from these territories in 1934 is due in part to the change in compilation of the statistics.

Exports from Palestine to the U.K. and other British territories increased in 1934. They consist mainly of citrus fruit. In 1934, the U.K. took over 55 per cent. of Palestine's exports and 64 per cent. of her citrus fruits.

Trade with other countries.—Tables of the total value of imports and exports by countries will be found in the appendices.

In imports, the change in statistical compilation from countries of consignment to countries of origin or supply again affects comparison of the 1934 figures with those of former years. It is largely for this reason that Egypt, which in 1933 was second to the U.K. in the list of suppliers consigning to Palestine goods to the value of £P.1,208,000 or 10.86 per cent., fell, in 1934, to tenth place, at £P.457,000 or 3.02 per cent. The produce and manufactures of Egypt exported to Palestine are sugar, vegetables, eggs, rice, cereals, milk, fruit, fish, cigarettes, manufactured leather goods. Germany at £P.1,193,000 in 1933 or 10.73 per cent. rose to second place in 1934 at £P.1,659,000 or 10.95 per cent. Germany's position in the Palestine market is sustained by the exchange

transfer arrangements made under the auspices of the Reichsbank, and Haavara Ltd. in Palestine, whereby immigrants or intending immigrants are enabled to transfer their capital from Germany to Palestine provided only that goods to a like value are exported from Germany to Palestine. Under this system the importer of German goods obtains a virtual exchange bonus which may amount to as much as 10 per cent. The principal restriction governing the Haavara arrangements is that the German goods supplied to Palestine must not compete with Palestine products. Immigrants are allowed to bring with them duty free as "effects" not only household goods but also implements, instruments and tools of trade, occupation or employment: and the 1934 figure for the value of imports from Germany includes £P.256,000 of such "used personal effects", mainly the property of immigrants. Imports from Germany consist largely of machinery and iron and steel goods. They are competitive in many instances with U.K. products, and it is worth noting that during the month of May, 1934, under the statistical class "Articles Wholly or Mainly Manufactured", the value of imports from Germany exceeded the U.K. figure by 14 per cent. In 1934, owing chiefly to the great expansion of the motor trade, the U.S.A. became the third largest supplier to Palestine at £P.1,283,000 or 8.47 per cent. rising from fifth place at £P.839,000 or 7.54 per cent. in 1933. Syria remained fourth at £P.1,083,000 or 7.15 per cent. in 1934 compared with £P.943,000 or 8.47 per cent. in 1933. Under the Palestine-Syria Customs Agreement, produce and manufactures of each country are admitted to the other free of import duty. Cereals and flour, textiles and apparel, are the main items supplied by Syria. An interesting development in 1934 is the increase in supply to Palestine of Syrian beer. Fifth in 1934 was Roumania at £P.953,000 or 6.29 per cent. compared with £P.582,000 or 5.23 per cent. in 1933: Roumania supplies wood for building purposes and for citrus cases, and also petrol and paraffin. Sixth in 1934 was Belgium at £P.620,000 or 4.09 per cent. compared with £P.347,000 or 3.12 per cent. in 1933. The rise in imports from Belgium consisted principally of building iron for reinforcements and joists and, to a lesser extent, glass. Seventh in 1934 was Japan at £P.594,000 or 3.92 per cent. compared with £P.350,000 in 1933. The trend of Japanese competition is indicated by the commodity import statistics given later in this report: in the past seven years the value of imports to Palestine from Japan has risen from less than £P.5,000 in 1928 to nearly £P.600,000 in 1934. The Japanese are exploring fully the potentialities of the Palestine market and with this end in view a Japanese trade delegation recently visited Palestine. It is significant that exports to Palestine are now considered of sufficient importance to be detailed specifically in the Japanese trade statistics. A number of other countries much increased the value of their exports to Palestine in 1934 such as Czechoslovakia (£P.514,000), Turkey

(£P.495,000), Italy (£P.481,000), Poland (£P.475,000), Austria (£P.348,000), Holland (£P.247,000) Sweden (£P.185,000), Iraq (£P.180,000). Imports from the U.S.S.R. (£P.215,000) also increased but are not at present competing seriously in the market. Many countries are making a determined bid for trade in Palestine. Holland and Sweden, for instance, are comparatively new competitors but very active. The Levant Fair of 1934 (see p. 45) may be said to have marked the opening of intensified competition on the part of several countries.

In exports, Germany remained second after the U.K. in 1934 taking goods to the value of £P.601,000 of 18·67 per cent. compared with £P.374,000 or 14·42 per cent. in 1934. For the 1934-35 citrus season, however, it was not found possible to reach satisfactory clearing arrangements with Germany, and exports of fruit to Germany greatly declined. In 1934, Syria remained Palestine's third best customer at £P.223,000 or 6·92 per cent. (1933—£P.213,000 or 8·22 per cent.). Exports to Egypt fell to £P.70,000 or 2·19 per cent. Protective duties in Egypt have much reduced exports of Palestine produce (citrus fruits, soap, water melons, wines, and certain manufactured goods) to that country. In May, 1935, an official trade delegation from Palestine visited Egypt. No public announcement has yet been made to indicate that concessions were obtained from the Egyptian Government. Exports to Holland (£P.77,000), Roumania (£P.60,000), and one or two other countries show marked increases in 1934. Restrictions on imports in various countries have created difficulties for Palestine exporters; but some degree of relief has been secured in certain countries for Palestine products, particularly citrus fruits.

Trade Statistics in 1935.—Foreign trade statistics of 1935 are available only for the months of January, February and March. The totals are as follows:—

Imports exclusive of specie.

(Thous. £P.).

1st Quarter, 1935—

Total	...	...	...	...	...	4,352	
							Per cent.
U.K.	...	...	...	...	...	745	17·12
Other British territories	...	...	...	...	...	178	4·09
Germany	...	...	...	...	...	606	13·92
U.S.A.	...	...	...	...	...	385	8·84
Roumania	...	...	...	...	...	319	7·32
Syria	...	...	...	...	...	223	5·12
Japan	...	...	...	...	...	162	3·73
Belgium	...	...	...	...	...	152	3·48

Exports exclusive of specie.

<i>1st Quarter, 1935—</i>						<i>Thous. £P.</i>	
Total	...	...	...	...	...	2,508	
							Per cent.
U.K.	...	...	...	...	...	3,065	82·35
Germany	...	...	...	...	...	206	8·21
Holland	...	...	...	...	...	130	5·17

In the first quarter of 1934 the total value of imported goods was £P.3,248,000: so that there was an increase of more than one-third in the same period of 1935, and the total value of imports in the financial year 1934-35 rose to £P.16,250,000. During the single month of March, 1935, goods to the record value of £P.1,000,000 were landed at Haifa alone. It is, therefore, at least probable that the 1935 imports will exceed those of 1934. Imports from the U.K. rose, comparing the first quarters of 1934 and 1935, from £P.608,000 to £P.745,000; but the U.K. percentage share fell from 18·72 per cent. to 17·12 per cent. It would, however, be wrong to conclude from this percentage fall in one quarter's statistics that the demand for U.K. goods is declining. The bulk of the increase in the quarterly total represents building materials. Perhaps of more significance are the larger percentage shares of Germany and Japan.

Palestine's exports, in January, February and March, are preponderately of citrus fruit. It may be noted that the U.K. took over 80 per cent. of Palestine's exports during the quarter.

Examination of the foregoing statistics, and of the tables of imports and exports by countries in the appendices, show that many countries exporting largely to Palestine take little of the country's produce and manufactures. Of this, notable examples are the U.S.A.—value of imports to Palestine from the U.S.A. in 1934 £P.1,283,000 and value of exports from Palestine to the U.S.A. in 1934 £P.31,000; Syria—£P.1,083,000 and £P.223,000; Roumania—£P.953,000 and £P.60,000; Belgium—£P.620,000 and £P.30,000; Japan—£P.594,000 and a negligible amount.

Methods of Business.—While a few large foreign firms have established branches, formed subsidiary companies, or participated in local companies, in Palestine, the bulk of the import trade is operated through commission agents who represent manufacturers and book orders with wholesale and retail dealers in the names of their principals. A memorandum on the appointment of agents in Palestine is available at the Department of Overseas Trade. It is usually advisable to appoint sole agencies for Palestine and Trans-Jordan. In Trans-Jordan the demand for imported goods is small but may develop. Amman, the capital, is largely supplied by rail from Damascus, but improvement of communications via Haifa is tending to divert supply to Palestine routes. Palestine can no longer be covered satisfactorily by a general agent in Egypt or Syria.

The number of long-established and tried firms in Palestine, whether commission, wholesale, or retail dealers, is strictly limited. Some wholesale dealers themselves buy direct from abroad and not through commission agents, especially those in a position to place regular and substantial orders : but there are few wholesale firms, because, except in goods such as building materials or certain classes of provisions, the demand is not yet sufficiently large. The development of wholesale business has, perhaps, been retarded by high land values and cost of establishing central warehouses. It is tending to increase and may be accelerated now that the Government have leased parts of the area between Haifa Harbour and the town, reclaimed in the course of harbour construction. Firms are constructing, or proposing to construct, large warehouses in that area. At present Palestine remains essentially a retail market.

It is also an extremely cosmopolitan market. Keen international competition reduces prices to a minimum, and the price factor remains predominant. As the country's purchasing power increases, so the demand for quality goods is gradually rising (and the Jewish immigrant, so far as his means permit, buys freely) ; but the " quality " market is still small.

Credit remains the basis of all commercial transactions in Palestine. It is perhaps surprising, in view of the capital resources now accumulated in the country, that suppliers abroad, especially of machinery and heavy goods, are still expected to grant extended periods of credit : but the practice is long-established, and generally speaking, suppliers can make little headway in the open markets of Palestine unless they follow it as do their competitors. Hire purchase agreements are commonly made with customers, with slight modifications of the U.K. form. Payments to suppliers is by means of bills drawn through the banks.

Quotations may be in pounds sterling and should be c.i.f. Haifa or Jaffa.

The channel for Government purchase is the Crown Agents : but it is noteworthy that the Municipalities do not buy from abroad through the Crown Agents.

As regards exports, the citrus trade is in the hands of merchant shippers purchasing from the groves or of growers' co-operative societies. The practice of buying on the tree is tending to die out. In other produce or manufactures either there are recognised exporters or the producers make their own arrangements.

Principal Imports.—Import statistics under commodity headings are divided by the Customs into over 500 items. Only those of greatest value or with bearing on other parts of this report have been extracted for the following paragraphs. It should also be noted that none of the commodity statistics in this chapter includes imports by the Government, the British Forces, the Navy, Army, and Air Force Institute or the Iraq Petroleum Co. which are exempted from import duty. The change in 1934 from countries of consignment to countries of origin should also be remembered.

Building materials.—During 1934 building materials were outstanding in Palestine's import trade statistics. The increase in immigration resulted in a housing shortage; commercial and industrial development in a growing demand for business and factory premises. A building boom which began in 1932 is still in progress at the time of writing. The following customs statistics of imports other than by Government best illustrate the position.

—				1932.		1933.		1934.	
				<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
Iron Bars, Angles and Rods—									
Total	...	...	...	13,201	67	31,810	174	56,179	371
Belgium	...	...	...	4,346	22	10,911	62	24,936	165
Germany	...	...	...	3,441	17	6,106	33	13,317	88
France	...	...	...	1,828	9	5,819	30	6,410	43
Luxembourg	...	...	...	(not given)		separate ly)		11,095	72
Iron Girders—									
Total	...	...	...	6,369	30	13,227	66	24,333	149
Belgium	...	...	...	1,810	8	5,743	29	12,335	76
France	...	...	...	1,865	9	4,105	20	6,798	41
Germany	...	...	...	2,204	11	1,960	10	3,028	21
Luxembourg	...	...	...	(not given)		separate ly)		1,872	11
Timber and Wood for Building—				<i>Thous. M.³</i>		<i>Thous. M.³</i>		<i>Thous. M.³</i>	
Total	...	...	...	75	184	116	254	200	460
Roumania	...	...	...	54	117	73	143	133	277
U.S.S.R.	...	...	...	11	28	20	42	32	64
Poland	...	...	...	2	6	8	26	15	56
Sanitary Ware—									
Total	...	...	...	—	39	—	66	—	178
Germany	...	...	...	—	18	—	24	—	51
United Kingdom	...	...	...	—	12	—	21	—	44
Cement—				<i>Tons.</i>		<i>Tons.</i>		<i>Tons.</i>	
Total	...	...	...	7,152	25	39,409	88	150,539	268
Yugo Slavia	...	...	...	2,703	14	22,237	38	68,964	106
United Kingdom	...	...	...	932	6	3,664	18	26,787	60
Belgium	...	...	...	190	1	3,512	7	13,869	21
Syria	...	...	...	1,440	4	1,659	3	8,226	17
Paints and Colours—									
Total	...	...	...	734	24	1,056	39	1,550	58
United Kingdom	...	...	...	123	7	224	15	343	24
France*	...	...	...	143	1½	190	2	318	3
Germany	...	...	...	135	6	243	8	315	12

(*Unprepared).

—	1932.		1933.		1934.	
	Tons. 1,033	Thous. £P. 22	Tons. 1,672	Thous. £P. 34	Tons. 3,073	Thous. £P. 58
<i>Plate and Window Glass—</i>						
Total						
Belgium	789	16	988	20	1,669	30
Czecho-Slovakia	(not given separately)		(not given separately)		329	11
Estonia	(not given separately)		(not given separately)		369	6
France	8	$\frac{1}{2}$	60	2	359	6

—	1932.		1933.		1934.	
	Thous. £P.		Thous. £P.		Thous. £P.	
<i>Iron Manufactures, unclassified</i> <i>(50 per cent. Door and Window</i> <i>Fittings)—</i>						
Total	57		96		167	
Germany	32		49		60	
United Kingdom	8		11		29	
Austria	4		10		17	
Belgium	4		9		17	
<i>Electric Goods and Fittings; and</i> <i>Insulated Pipes for Electric</i> <i>Cable and Wire (chiefly house-</i> <i>hold)—</i>						
Total	29		60		101	
Germany	18		32		38	
United Kingdom	4		14		17	
Czecho-Slovakia	1		4		11	
Belgium	—		2		6	
<i>Flooring and wall tiles—</i>						
Total	14		27		72	
Czecho-Slovakia	1		5		25	
Hungary	—		—		12	
Syria	1		1		10	
Austria	—		3		8	
Germany	7		13		8	
United Kingdom	3		2		2	

In 1934, about £P.13,000 worth of bricks were imported, half from the U.K., and a small quantity of roofing tiles and slates from France and Belgium. Roofing tiles are now made in Palestine.

The Customs headings taken are representative but do not by any means include all builders' materials, plant, and requisites. There is little doubt that the total value of such imports in 1934 exceeded £2,000,000. It is officially estimated that £5,600,000 and £6,000,000 was invested in buildings during the years 1933 and 1934 respectively.

Concrete construction predominates in the architecture of Palestine. The importation of cement at 150,000 tons was roughly equivalent to local production: Yugo-Slavia was the largest supplier but the U.K. made considerable headway. In paints and colours, the U.K. leads, and appears to be maintaining her position well. In sanitary-ware, U.K. products are prominent, and also in certain builders' requisites for which separate customs statistics are not given, such as concrete mixers. Otherwise, the U.K. has little share in the building material market, and, in building iron, the most important item, chiefly round iron for reinforced construction, no share at all. This is a matter of price: Belgian quotations per ton are at least 30 per cent. less than U.K. quotations. It may be argued that a lower tonnage of U.K. building iron is required to ensure a given factor of safety; but, in the absence of a definite building code, this argument carried little weight.

Motor Vehicles.—The increased importation of motor vehicles into Palestine in 1934 was also outstanding.

Customs Import Statistics.

—	1932.		1933.		1934.	
	No.	Value.	No.	Value.	No.	Value.
<i>Motor Vehicles—</i>		<i>Thous.</i>		<i>Thous.</i>		<i>Thous.</i>
Total ...	760	£P. 164	1,969	371	3,575	578
U.S.A. ...	377	104	1,138	234	2,836	459
U.K. ...	184	26	340	61	569	87
<i>Motor Cycles—</i>						
Total ...	242	9	469	20	681	31
U.K. ...	212	8	392	17	538	24
<i>Parts and Access-</i>						
<i>ories of mechani-</i>						
<i>cally propelled-</i>						
<i>vehicles—</i>						
Total ...		38		54		102
U.S.A. ...		17		24		64
U.K. ...		6		10		20
	<i>Tons.</i>		<i>Tons.</i>		<i>Tons.</i>	
<i>Rubber Tyres and</i>						
<i>Tubes—</i>						
Total ...	295	58	389	66	476	65
U.S.A. ...	127	26	207	33	317	38
Italy ...	65	11	52	10	52	10
U.K. ...	31	6	36	6	65	10

	1932.		1933.		1934.	
		Value.		Value:		Value.
		<i>Thous. £P.</i>		<i>Thou . £P.^s</i>		<i>Thous. £P.</i>
<i>Tractors and Parts—</i>						
Total ...		23		45	(not given separately for 1934.)	
U.S.A. ...		19		43		
<i>Petrol*—</i>		<i>Thous. litres.</i>		<i>Thous. litres.</i>		<i>Thous. litres.</i>
Total ...	17,284	152	27,157	170	40,609	206
Roumania ...	16,968	149	23,834	146	37,131	186

* No local production.

It may be of interest to give the registration statistics in this connection.

Registrations.

Number of registered motor vehicles on the 31st December.

	1933.	1934.
Private cars	1,688	3,454
Taxis	1,046	1,084
Buses	905	1,037
Commercial vehicles	1,239	2,436
Motor cycles	1,120	2,163
Tractors used for road haulage ...	9	15
Motor vehicles on the road ...	6,007	10,189

The reasons for this rapid increase in motor traffic are the growth in population and in purchasing power, the expansion of trade generally, the good roads, and the unsuitability of existing public transport facilities. A brisk demand has arisen for the light car of low fuel consumption, owing largely to the high duty on, and cost of, petrol. This has much improved the position of U.K. motor manufacturers. The import tariff on motor vehicles has recently been changed from an ad valorem to a weight basis. One

effect of this change has been to reduce importations of used vehicles which are liable to the full duty per kilo. The U.K. holds first place in motor-cycles, and is making headway in tyres and in commercial vehicles, but in tractors does not compete.

Textiles and yarns.

Textiles form one of Palestine's principal imports and the following are recent statistics :—

Cotton piece goods.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
Grey—						
Total	717	54	800	58	1,030	67
Japan	424	32	748	52	870	55
Egypt	274	21	16	1	—	—
U.S.S.R.	(not available)	—	—	—	143	11
United Kingdom ...	12	1	33	4	16	1
Bleached—						
Total	426	67	498	70	715	96
Japan	73	8	209	20	365	36
United Kingdom ...	250	41	175	32	182	32
Italy	53	8	61	9	90	13
Egypt	26	3	29	3	—	—
U.S.S.R.	(not available)	—	—	—	53	6
Dyed and printed—						
Total	1,472	262	1,721	283	2,234	359
Japan	324	37	794	91	1,221	148
United Kingdom ...	281	63	280	61	327	73
Italy	345	61	290	53	374	66
Czecho-Slovakia ...	24	8	34	11	41	16
Syria	196	43	117	23	69	14
Egypt	215	28	69	10	—	—
U.S.S.R.	(not available)	—	—	—	65	9

The capitulation of the cotton textile market to Japan is thus almost complete so far as concerns "greys". In "bleached" Lancashire still holds some ground (chiefly heavy white shirtings). In "dyed and printed", nearly all the gains are going to Japan, but Lancashire has made headway and competes with Italy. Italian goods received a setback in this market when the U.K. went off the gold standard. In 1935 there are signs of revival in the demand for Manchester goods.

Other Customs categories under the general heading cotton manufactures are :—

“ Cotton Damask and Gobelin ”.

1934 : £P.16,063.

						£P.
Italy	...	...	...	...	...	3,050
Czecho-Slovakia	R.	...	...	...	...	3,003
Poland	...	...	...	...	...	2,435
U.K.	...	...	...	...	...	Negligible.

“ Cotton Velvet and Plush ”.

1934 : £P.23,421.

						£P.
Japan	...	...	...	...	...	18,746
U.K.	...	...	...	...	...	Negligible.

“ Mosquito Nettings ”.

1934 : £P.5,264.

						£P.
U.K.	...	...	...	...	...	4,604

“ Cotton, Other Manufactures ” (excluding apparel).

1934 : £P.82,075.

						£P.
Japan	...	...	...	...	...	20,874
U.K.	...	...	...	...	...	14,909
Germany	...	...	...	...	...	9,672

Importations of cotton yarn for the local textile factories have rapidly increased.

—				1932.		1933.		1934.	
				Tons.	Thous. £P.	Tons.	Thous. £P.	Tons.	Thous. £P.
<i>Cotton yarn—</i>									
Total	...	...		477	54	580	69	629	80
Italy	...	...		226	25	265	31	317	40
United Kingdom	...	...		48	12	60	15	86	20
India	...	...		166	12	182	13	166	11
<i>Cotton Thread—</i>									
Total	...	...		44	21	43	23	50	26
United Kingdom	...	...		16	8	14	9	20	11
France...	...	...		10	7	7	6	8	6
Belgium	...	...		8	2	11	3	12	4

The U.K. is making headway in this market. Better quality yarn is in demand and the exchange is favourable.

Woollen piece goods.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
<i>Woollen Tissues—</i>						
Total	252	153	376	202	425	245
United Kingdom ...	135	74	200	100	268	147
Italy	36	19	66	36	68	43
Czecho-Slovakia ...	6	5	17	12	23	17
France... ..	23	14	29	18	17	12

“ *Woollen Blankets* ” are a separate customs category :—

1934 : £P.12,023.

						£P.
U.K.	...	...	...	...	...	3,990
Czecho-Slovakia	...	...	...	...	...	2,791
Poland	...	...	...	...	...	2,527

In woollen textiles the U.K. is holding her own and in woollen yarn has considerably improved her position.

Woollen yarn is required for the local factories.

Woollen Yarn.

—	1932.*		1933.		1934.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
Total	47	21	101	46	107	52
United Kingdom ...	7	3	23	9	34	16
France... ..	14	6	24	11	28	13
Italy	21	10	38	18	18	9

* Some yarns classified as thread.

Imports of woollen thread are small.

Silk and Artificial Silk.

—	1932.		1933.		1934.			
	Natural and Artificial Silk Tissues.				Natural Silk Tissues.		Artificial Silk Tissues and Mixtures.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
Total ...	279	175	438	232	108	97	513	210
Japan ...	86	56	173	89	89	75	195	65
Syria ...	65	38	126	55	8	8	198	69
Italy ...	33	16	37	19	—	—	39	20
France ...	24	22	21	20	8	11	11	11
United Kingdom ...	14	8	27	13	2	1	30	13

Other Customs classifications are :—

“ *Pongee and Sakarota* ”.

1934 : £P.10,000.

China £P.9,000

“ *Silk, Other Manufactures* ”.

1934 : £P.26,000.

Italy £P.6,000

The importation of silk and artificial silk yarn for local factories also expanded in 1934. The statistics show both together as follows :—

Silk and Artificial Silk Yarn.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
Total	23	12	45	23	76	33
Syria	7	6	12	10	11	9
Holland	3	1	6	2	18	5
Japan	(not given separately)				7	4
Switzerland	2	1	4	2	8	4
United Kingdom ...	3	1	7	2	7	2

Apparel.—The following are given as separate items in 1934 under the statistical group “ *apparel* ”.

Owing to reclassification, direct comparison with former years is not accorded in every case.

						1932.	1933.	1934.
						<i>Thous. £P.</i>	<i>Thous. £P.</i>	<i>Thous. £P.</i>
<i>Boots and Shoes—</i>								
(i) <i>Leather</i>								
Total	...	...	...	...	...	43	41	73
Syria	...	...	...	...	...	14	19	40
Czecho-Slovakia	...	...	...	...	...	19	11	12
Germany	...	...	...	...	...	4	5	8
(ii) <i>Rubber</i>								
Total	...	...	...	...	...	4	5	10
Czecho-Slovakia	...	...	...	...	...	3	3	4
Japan	...	...	...	...	...	(a)	1	3
(iii) <i>Old</i>								
Total	...	...	...	...	...	2	2	3
(iv) <i>Other</i>								
Total	...	...	...	...	...	8	8	17
Czecho-Slovakia	...	...	...	...	...	6	5	10

(a) Less than £1,000.

<i>Socks—</i>						<i>Total.</i>	<i>Syria.</i>	<i>United Kingdom.</i>	<i>Japan.</i>
							(in thous. £P.)		
1933	...	...	...	...	...	13	3	3	2
1934	...	...	...	...	...	17	6	3	2

<i>Stockings—</i>						<i>Total.</i>	<i>Czecho-Slovakia.</i>	<i>Germany.</i>	<i>United Kingdom.</i>
1933	...	...	...	...	...	26	6	11	6
1934	...	...	...	...	...	30	11	7	7

Braces, suspenders, and belts : 1933, £P.14,000 ; 1934, £P.20,000 (mostly from Syria).

Cloaks (chiefly Arab abbayehs) : 1933, £P.18,000 ; 1934, £P.27,000 (mostly from Syria).

Hatta and shawls (including the Arab head-dress) : 1933, £P.34,000 ; 1934, £P.44,000 (mostly from Syria).

Tarbushe (fezzes) : 1933, £P.4,000 ; 1934, £P.9,000 (mostly from Czecho-Slovakia).

Furs : 1933, £P.5,000 ; 1934, £P.5,000 (France and Germany).

Neckties and cravats : 1933, £P.4,000 ; 1934, £P.7,000 (Austria and Italy).

Hats and Hoods : 1934, £P.38,000 ; Italy, £P.13,000 ; Syria, £P.4,000 ; Czecho-Slovakia, £P.4,000. At about £P.2,000 the U.K. figure increased.

Old clothing (other than personal effects) : 1933, £P.18,000 ; 1934, £P.18,000 (mostly from U.S.A.).

Items newly classified are as follows :—

Knitted undergarments : 1934, £P.27,000 (Japan £P.16,000 ; U.K. £P.6,000).

Silk (and artificial silk) Apparel : 1934, £P.62,000 (Germany, £P.21,000 ; Syria, £P.13,000 ; Austria, £P.8,000 ; U.K., £P.5,000).

Gloves : 1934, £P.8,000 (Czecho-Slovakia, £P.2,000 ; Germany, Italy and U.K., £P.1,000).

Shirts and Pyjamas : 1934, £P.25,000 (Japan £P.10,000 ; U.K., £P.4,000 ; Austria, £P.4,000).

The item " Other (i.e. unclassified) Wearing Apparel " for 1934 gives the following :—

1934 : £P.165,000 (Syria, £P.37,000 ; U.K., £P.36,000 ; Germany, £P.30,000 ; Austria, £P.19,000 ; Czecho-Slovakia, £P.13,000 ; Japan, £P.11,000).

Food Stuffs and Provisions.

Grain and Flour.—Wheat and wheat-flour figure largely in the country's imports.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Wheat—</i>						
Total ...	21,445	183	60,047	448	45,547	322
Syria ...	17,045	148	18,324	174	14,798	134
Turkey ...	2,887	23	18,377	122	19,315	121
Russia ...	—	—	5,784	40	4,229	24

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Wheat Flour—</i>						
Total ...	20,058	190	26,919	265	24,695	232
United States of America ...	1,340	15	4,947	56	9,207	97
Australia ...	1,109	10	7,874	66	10,824	81
Syria ...	3,035	34	5,230	62	3,761	46
Egypt (all foreign) ...	10,329	94	7,218	65	—	—

Under a special customs tariff the valuation for import duty assessment of flour, wheat and rye, semolina and soft wheat is fixed quarterly on a sliding scale in such a way that the higher the local prices the less the duties payable. Further the Standing Committee of Commerce and Industry determine quarterly the quantity of flour and wheat, etc. to be imported. This is done by a system of permits to importers (not agents): the farmer is given a measure of protection and at the same time the retail price of flour and wheat tends to stabilise.

Other grains imported are principally :—

	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Barley—</i>						
Total ...	13,257	72	24,834	107	14,214	63
Syria ...	1,826	11	2,679	14	6,415	33
Turkey ...	8,272	44	16,708	67	6,031	24
Egypt ...	456	3	2,706	13	—	—
<i>Durrah and Maize—</i>						
Total ...	9,337	57	12,500	67	5,720	26
Iraq ...	—	—	745	3	2,789	12
Syria ...	7,456	47	5,480	34	1,038	6
<i>Rice—</i>						
Total ...	12,813	151	15,713	132	14,021	126
Egypt ...	10,848	126	12,694	106	8,415	84
India ...	737	7	2,323	18	3,902	26

Meat.—Live cattle for food are largely imported since the Jewish community is a large consumer of meat. Imports rose from 8,750 head valued £P.90,000 in 1933 to 16,266 head valued at £P.174,000 in 1934. Bulgaria, Cyprus and Roumania are the leading suppliers. Imports of sheep and goats from Turkey and Syria rose in value to £P.126,000 and £P.44,000 respectively in 1934. Imports of frozen meat from Australia via cold storage depôt in Egypt rose to £P.16,000 in 1934. This is almost entirely for the British and foreign community.

Fish.—There is a growing demand for fish which has yet to be met satisfactorily in spite of the country's Mediterranean seaboard and the large inland Lake of Tiberias.

		1932.		1933.		1934.	
		<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Fish in brine, dry, salted and smoked—</i>							
Total	...	1,133	26	1,152	26	1,660	38
United King -							
dom	...	602	10	488	9	745	14
Turkey	...	191	5	252	7	379	11
Holland	...	42	1	133	3	147	3
Russia	...	—	—	—	—	101	2
<i>Tinned Fish—</i>							
Total	...	327	16	583	27	1,112	49
Portugal	...	103	5	204	10	390	19
Japan	...	22	1	66	2	214	6
Norway	...	62	2	124	4	164	6
Canada	...	26	1	43	2	133	5
United King -							
dom	...	41	2	42	2	43	2
<i>Fresh and Frozen Fish—</i>							
Total	...	815	30	1,218	46	1,458	55
Egypt	...	629	24	756	30	868	35
Syria	...	170	5	317	11	182	6
Iraq	...	16	1	145	5	404	13

In salted fish, the U.K. leads with pickled herrings in barrels. Kippers are also being imported from the U.K. in increasing quantities. Imports of other smoked fish are affected by the local smoking industry. In tinned fish, sardines from Portugal take first place; but Japan has recently captured a large share in the market with cheap tinned salmon and pilchard. Tinned herrings and other fish from the U.K. are not in demand. In fresh fish the chief point of interest is that 400 tons of Tigris salmon were carried in ice by motor lorry across the desert from Bagdad in 1934.

Sugar.—Sugar is imported for the local chocolate and other factories as well as for domestic consumption.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Sugar and Sugar Candy—</i>						
Total ...	12,860	133	16,067	142	18,990	151
Egypt ...	1,420	16	5,858	52	9,846	81
Dutch East Indies ...	821	7	4,088	31	5,877	40
Czecho-Slovakia ...	2,505	30	1,397	14	1,245	12
United Kingdom ...	2,839	25	3,634	32	489	4

Glucose.—Imports of glucose amounted to 735 tons valued at £P.10,000 in 1933 and 958 tons valued at £P.11,000 in 1934 coming chiefly from Belgium.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Confectionery and Sweets—</i>						
Total ...	860	29	808	32	1,035	40
Syria* ...	734	19	629	20	836	26
United Kingdom ...	93	7	114	8	128	9

* Local sweetmeats.

In 1934, "Chocolates, plain" were imported to the value of £P.4,000 (U.K. nearly £2,000) and "Chocolates, other", £P.16,000 (U.K. £P.6,000).

Butter.—The local production of butter is growing; but there has been greater increase in the demand and hence in the imports of frozen butter which rose as follows :—

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Fresh Butter—</i>						
Total ...	493	54	874	75	1,773	126
Australia ...	213	23	307	27	724	57
Egypt ...	230	26	218	21	—	—
Latvia ...	23	2	188	15	529	34
Lithuania ...	—	—	145	11	468	31

Most of the butter railed to Palestine from cold storage depôts in Egypt, and the import shown as from Egypt for 1932 and 1933 are chiefly of Australian origin. In former years Australian frozen butter dominated the market, but, in 1934, imports from the Baltic States exceeded those from Australia in tonnage by over 30 per cent. Now that direct sailings in cold storage are established from Scandinavia, the position of Australian butter is becoming still more precarious.

In general, the market for cold storage goods, frozen meat, fish, butter, fresh fruit, etc., although rapidly expanding, has been hampered by the lack of direct refrigerated transport, and the insufficiency of cold storage facilities in Palestine. Cold storage depôts are being enlarged and new depôts established.

“ *Samneh* ” (“ *ghee* ”).

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
Total ...	350	37	418	39	575	50
Iraq ...	101	11	245	24	373	31
Syria ...	113	13	50	6	85	9

Other “ butter substitutes ” were imported during 1934 to the value of £P.12,000; Holland, £P.5,000; France, £P.4,000.

Other dairy produce.—Other local dairy produce is by no means sufficient for the demand and the following are some import figures :—

—	1932.		1933.		1934.	
	<i>Thous.</i>	<i>Thous.£P.</i>	<i>Thous.</i>	<i>Thous.£P.</i>	<i>Thous.</i>	<i>Thous.£P.</i>
<i>Live Poultry—</i>						
Total ...	180	12	280	17	679	41
Syria ...	180	12	280	17	385	24
Iraq ...	—	—	—	—	289	17
<i>Eggs—</i>						
Total ...	<i>Millions.</i> 18	<i>Thous.£P.</i> 35	<i>Millions.</i> 34	<i>Thous.£P.</i> 63	<i>Millions.</i> 57	<i>Thous.£P.</i> 106
Egypt ...	10	20	21	37	21	38
Turkey ...	—	—	(a)	2	20	35
Syria ...	7	12	10	19	7	14
Iraq ...	1	3	3	5	6	12

(a) Less than 1 million.

Fresh fruit.—Imports of fresh fruits doubled in 1934.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Raw Apples—</i>						
Total ...	2,031	31	2,457	45	5,348	95
United States						
of America ...	136	5	607	18	1,936	51
Turkey ...	1,027	11	681	7	1,110	9
Australia ...	—	—	85	2	472	12
Italy ...	338	5	524	7	317	6
<i>Other fresh</i>						
<i>fruits*—</i>						
Total ...	1,077	11	1,742	18	3,160	53
Syria ...	950	9	1,120	10	2,029	20
U.S.A. (pears)	—	—	—	—	691	24
Cyprus...	99	1	397	5	125	2
Italy ...	—	—	—	—	167	3

* Excluding apricots, dates, grapes, melons and water melons.

Importation of miscellaneous groceries generally increased in 1934. Some of the leading headings are as follows:—

“Other articles of food” (pickles, sauces, canned meats and vegetables, etc., not under specific customs headings): 1934, £P.67,000: U.K., £P.14,000; Italy, £P.13,000; U.S.A., £P.10,000.

“Cheese, other”: 1934, £P.44,000; Holland, £P.10,000; Switzerland, £P.8,000; Bulgaria, £P.7,000.

Dried dates: 1934, £P.27,000 from Iraq.

Condensed milk: 1934, £P.16,000; Holland, £P.9,000; Denmark, £P.3,000; U.K., £P.2,000.

Sausages (fresh and tinned): 1934, £P.13,000; Denmark, £P.4,000.

Dried prunes and plums: 1934, £P.12,000; U.S.A., £P.10,000.

Bacon and ham: 1934, £P.11,000; Holland, £P.5,000; Denmark, £P.5,000.

Milk powder: 1934, £P.11,000; Holland, £P.6,000; U.K., £P.1,000.

Biscuits: 1934, £P.9,000; U.K., £P.4,000.

Alcoholic beverages and mineral waters.—The demand for alcoholic drinks expanded in 1934.

—	1932		1933.		1934.	
	<i>Hecto- litres.</i>	<i>Thous. £P.</i>	<i>Hecto- litres.</i>	<i>Thous. £P.</i>	<i>Hecto- litres.</i>	<i>Thous. £P.</i>
<i>Beer in Bottles—</i>						
Total ...	2,423	10	3,633	14	5,696	23
United King - dom ...	1,221	5	1,726	7	2,135	8
Syria ...	—	—	319	2	1,577	7
Germany ...	758	3	530	2	565	2
<i>Beer in Barrels—</i>						
Total ...	5,970	12	6,786	13	9,576	17
Holland ...	—	—	—	—	1,785	3
Austria ...	1,266	2	1,457	3	1,089	2
United King - dom ...	1,175	2	1,628	3	1,051	2
Italy ...	243	15	1,058	2	1,028	2
Syria ...	—	—	—	—	681	2

These statistics indicate the growth in competition from Syrian-made beer which benefits by the Palestine-Syrian agreement for exemption from customs duties of local products and produce.

In 1934, wines were imported to the value of £P.4,000, chiefly from Italy and France; brandy and cognac £P.1,000 from France and Greece; liqueurs £P.1,000, chiefly from France; whisky, £P.9,000, and gin, £P.1,000, chiefly from the U.K. Imported mineral waters in 1934 were valued at £P.3,000 chiefly from France.

Tobacco.—Unmanufactured tobacco was imported during 1934 as follows :—

Tobacco leaves: 127 tons valued £P.32,000 from Turkey, Greece, Russia, China and Bulgaria.

Tombac leaves: 70 tons valued £P.11,000 from Iran. (Tombac is a special type of tobacco for smoking in water pipes.)

The import statistics of manufactured tobacco are as follows :—

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
<i>Cigarettes—</i>						
Total ...	27	16	34	21	47	28
United King - dom ...	14	10	19	13	24	16
Turkey ...	11	5	11	5	17	9
Egypt ...	2	1	2	1	4	2
<i>Cigars*</i>						
Total ...	1	1	2	2	4	4
<i>Tobacco†</i>						
Total ...	3	2	3	2	4	2

* Cigars come chiefly from Germany and Holland.

† Manufactured pipe tobacco comes chiefly from the United Kingdom.

Vegetable oils and oil seeds.—Imports of olive, coconut, sesame and other edible oils amounted to 1,051 tons valued at £P.33,000 in 1933 and to 1,230 tons valued at £P.37,000 in 1934, about a third being edible olive oil.

Unrefined oils and oil seeds and acid oils were imported for the local oil and soap industry, e.g. :—

—	1933.		1934.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
Unrefined olive oil	1,888	65	1,544	64
Sesame and gingelly seeds	3,906	52	2,589	29
Ground nuts (shelled)*	7,820	103	11,317	101

* Mostly from India.

Acid Oils (other than acid olive oil).

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
Total	2,771	56	2,853	54	2,702	39
Denmark	1,218	24	2,211	40	2,199	30
Germany	77	2	173	4	241	4
Sweden	—	—	—	—	92	2

In order to protect olive growers the import of unrefined olive oil, acid or offal oils, is subjected to a permit system similar to that applied to wheat and flour.

Machinery and plant.—Agricultural machinery has to some extent been reclassified in the Customs statistics for 1934, and it is difficult to compare the various items with imports in former years. Clearly, however, importation much increased. The leading customs heads are as follows :—

“ *Pumping Machinery* ” (including power units when imported as an integral part).

1934 : £P.57,000.

	£P.
U.S.A.	30,000
Germany	10,000
U.K.	10,000
Austria	2,000

This head includes all irrigation pumps. The citrus groves are irrigated by pump, and certain other crops. The U.K. enjoys a leading share in internal combustion power units, but imported bore-hole pumps come mainly from the U.S.A.

" *Water-boring machinery* " forms a new statistical category for 1934, conveniently included in this paragraph although borings for water supply are by no means exclusively agricultural in purpose. The value of imports in this category for 1934 was £P.16,000 of which £P.13,000 was from Czechoslovakia.

" *Agricultural Machinery* " (including tractors and ploughs, planters, reapers and threshers).

1934 : £P.57,000.

	£P.
U.S.A.	48,000
Germany	4,000
U.K.	2,000

There is little sale for U.K. agricultural machinery, and the market is dominated by the U.S.A.

For instance, the Jewish settlers thresh by means of American " combines " : the Arab cultivators by animal and hand power.

Agricultural Implements.

It is convenient to give here imports of agricultural implements although these are not included in the statistical group " machinery ".

" *Agricultural tools* ".

1934 : £P.12,000.

	£P.
U.K.	4,000
Germany	3,000
U.S.A.	2,000

" *Dairy implements and appliances* ".

1934 : £P.6,000.

	£P.
Austria	2,000
Denmark	1,000
U.K.	1,000
U.S.A.	1,000
Germany	1,000

" *Incubators and breeders* ".

1934 : £P.2,500.

	£P.
U.S.A.	1,500
U.K.	600

There is also a small demand for beehives.

Industrial machinery.—In industrial machinery also there has been considerable reclassification in the import statistics for 1934 which contain only the following headings:—

Electric Machinery for Light and Power (including power units when imported as an integral part).

1934 : £P.197,000.

						£P.
U.K.	...	...	...	...	...	124,000
Switzerland	...	...	...	...	...	22,000
Sweden	...	...	...	...	...	15,000
Germany	...	...	...	...	...	10,000
Holland	...	...	...	...	...	8,000
U.S.A.	...	...	...	...	...	7,000

Printing and Book-binding Machinery.

1934 : £P.32,000.

						£P.
Germany	...	...	...	...	...	17,000
U.K.	...	...	...	...	...	8,000
Austria	...	...	...	...	...	5,000

Industrial Machinery (including power units when imported as an integral part).

1934 : £P.660,000.

						£P.
Germany	...	...	...	...	...	238,000
U.K.	...	...	...	...	...	199,000
U.S.A.	...	...	...	...	...	38,000
Denmark	...	...	...	...	...	36,000
Austria	...	...	...	...	...	35,000
Czecho-Slovak	...	...	...	...	...	29,000
Sweden	...	...	...	...	...	18,000

This is a general item including plant for various types of factory given under specific headings in previous years.

Other Machinery.—The following items are also given in the Customs group "Machinery".

Calculating Machines.—1934 : £F.4,000 (chiefly from Sweden and the U.S.A.).

Duplicating Machines.—1934 : small import chiefly from the U.K.

Typewriters.—1934 : £P.21,000 (U.S.A., £P.12,000; U.K., £P.4,000; Germany, £P.3,000).

Sewing Machines.—1934 : £P.59,000 (U.K., £P.46,000; Germany, £P.10,000).

Railway and Marine Machinery.—Two small items together amounting in 1934 to about £P.5,000 in which the U.K. has the leading share.

Machine Plant.—The following are some import statistics of machine plant and tools :—

					1932.	1933.	1934.
					<i>Thous. £P.</i>	<i>Thous. £P.</i>	<i>Thous. £P.</i>
<i>Belting—</i>							
Total	...	...	...	...	6	10	16
					<hr/>		
United Kingdom	...	...	...	...	1	2	5
Hungary	...	...	...	...	1	2	4
Germany	...	...	...	...	4	3	2
<i>Tools—</i>							
(Other than Agricultural)							
Total	...	...	...	...	27	43	90
					<hr/>		
Germany	...	...	...	...	18	24	42
United States of America	...	...	...	...	1	3	10
United Kingdom	...	...	...	...	2	4	9
Austria	...	...	...	...	1	4	7

General.—A basis of comparison between imports of machinery (excluding tools, implements and plant given above) may be obtained by addition of all items in the appropriate statistical group with the following result.

<i>Imports in</i>				1933.	1934.
<i>group " Machinery "</i>				<i>Thous. £P.</i>	<i>Thous. £P.</i>
Total	...	...	...	532	1,023
				<hr/>	
United Kingdom	...	...	...	199	397
Germany	...	...	...	179	293

A number of other countries are competing including U.S.A., Czecho-Slovakia, Austria, Sweden, Denmark, France, Belgium.

Electrical goods and apparatus.—In this group household fittings and insulated pipes have already been quoted under building materials at page 15.

Other leading items are as follows :—

—	1932.		1933.		1934.	
<i>Cable and Wire—</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
Total ...	234	13	546	30	1,144	56
Holland ...	92	4	220	11	496	21
United King - dom ...	64	4	185	10	440	21
Germany ...	73	5	88	6	69	4
<i>Radio and Parts—</i>						
Total ...	—	11	—	21	—	53
United States of America ...	—	6	—	9	—	25
Holland ...	—	—	—	4	—	10
United King - dom ...	—	2	—	4	—	9
Austria ...	—	—	—	2	—	6

Over half a million " electric glow lamps " (bulbs) valued at £P.15,000 were imported in 1934 mainly from Hungary, Austria, Czechoslovakia and Germany. There is increasing competition from Sweden, and in bulbs for motor car lighting from Japan. The total for electric batteries in 1934 was £P.3,000 chiefly from Germany. Imports under the general heading " Unspecified Electrical Apparatus " rose from £P.21,000 in 1933 to £P.51,000 in 1934 chiefly from the U.K. and Germany. The market for electrical goods is growing rapidly with the expansion of electric supply. Statistics of electric machinery imports are at p. 33.

Fuel.—Petrol imports are given at p. 18. Other fuel imports are as follows :—

—	1932.		1933.		1934.	
	<i>Th. litres.</i>	<i>Th. £P.</i>	<i>Th. litres.</i>	<i>Th. £P.</i>	<i>Th. litres.</i>	<i>Th. £P.</i>
<i>Kerosene—</i>						
Total ...	37,493	79	42,082	116	48,574	155
Roumania ...	22,884	45	30,466	83	46,000	146
<i>Lubricating Oil and Grease—</i>						
Total	<i>Tons.</i> 2,104	<i>Thous. £P.</i> 40	<i>Tons.</i> 2,438	<i>Thous. £P.</i> 49	<i>Tons.</i> 3,451	<i>Thous. £P.</i> 67
United States of America ...	342	9	376	10	949	20
United King - dom ...	102	3	347	9	674	15
Egypt (all foreign) ...	810	13	955	14	—	—
<i>Petroleum, Crude and Fuel Oil—</i>						
Total ...	12,829	26	21,409	40	34,973	63
Roumania ...	7,466	12	16,269	29	32,053	59

—	1932.		1933.		1934.	
	<i>Thous. Tons.</i>	<i>Thous. £P.</i>	<i>Thous. Tons.</i>	<i>Thous. £P.</i>	<i>Thous. Tons.</i>	<i>Thous. £P.</i>
<i>Coal—</i>						
(i) <i>Anthracite—</i>						
Total ...	28	27 (nearly all from U.K.)	33	27	29	26
(ii) <i>Briquettes—</i>						
Total ...	4	7 (mostly from Egypt.)	5	9	4	6
(iii) <i>Other—</i>						
Total ...	23	31	21	27	17	23
U.K. ...	15	18	9	9	14	18
Egypt ...	7	12	7	11	—	—

Wood.—Wood and timber is imported to Palestine in large quantities. During 1934 the value of imported wood for building was £P.460,000. Prepared wood for citrus cases is the next most important item under this head.

Prepared wood for citrus cases.

—	1932.		1933.		1934.	
	<i>Thous. M³</i>	<i>Thous. £P.</i>	<i>Thous. M³</i>	<i>Thous. £P.</i>	<i>Thous. M³</i>	<i>Thous. £P.</i>
Total ...	46	177	42	145	73	243
Roumania ...	34	131	26	93	43	140
U.S.S.R. ...	4	14	4	11	16	47
Poland ...	1	6	6	20	7	25

Other items in this group are as follows :—

Unmanufactured.—Wood for furniture : 1933, £P.30,000 ; 1934, £P.36,000 ; chiefly from Roumania.

Trunks and Branches of trees.—1933, £P.13,000 ; 1934, £P.14,000 ; chiefly from Poland.

Manufactured.—Plywood : 1933, 1,789 tons, valued £P.28,000 ; 1934, 5,370, valued £P.88,000, chiefly from Poland.

Bentwood Furniture.—1933, £P.6,000 ; 1934, £P.16,000, chiefly from Poland.

Other Furniture.—1933, £P.24,000 ; 1934, £P.51,000 (Syria £P.18,000, U.K. £P.8,000, U.S.A. £P.5,000).

Wooden Hoops for cases.—1933, £P.10,000; 1934, £P.15,000, chiefly from Italy.

Other Manufactures of Wood and Timber.—1933, £P.27,000; 1934, £P.47,000 consigned from a number of countries.

Glass and glassware.—Imports of plate and window glass are given under "building materials".

Other glass imports statistics are as follows:—

	1932.	1933.	1934.
	Thous. £P.	Thous. £P.	Thous. £P.
<i>Empty Bottles and Jars—</i>			
Total	14	20	38
Holland	1	2	15
Germany	8	10	10
Czecho-Slovakia	1	3	5
<i>Domestic and Fancy Glassware—</i>			
Total	12	22	28
Czecho-Slovakia	5	5	8
Poland	1	4	5
Belgium	2	3	4
Germany	2	5	3

The import of looking glasses and mirrors was valued at £P.2,000 in 1934, chiefly from Japan, and that of "other glassware" at £P.4,000, chiefly from Belgium.

Glass from the U.K. does not compete in the market in any form.

Stationery and printed matter.—Imports of stationery and printed matter have much increased.

	1932.	1933.	1934.
<i>Stationery, all Sorts—</i>			
Total	36	43	56
United Kingdom... ..	7	11	17
Germany	16	15	12
<i>Printed Books—</i>			
Total	21	25	37
Germany	3	4	9
Poland	2	3	6
Egypt	5	5	5
United Kingdom... ..	4	3	5
<i>Advertising and Printed Matter—</i>			
Total	16	20	26
Egypt	8	11	15
United Kingdom... ..	3	3	4

Imports of pictures, albums and postcards amounted to £P.3,000 in 1933 and £P.4,000 in 1934, chiefly from Germany.

Paper, cardboard and manufactures thereof.—The paper group figures largely in the import statistics.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
<i>Paper for Printing—</i>						
Total ...	1,421	28	2,093	34	2,727	41
Austria ...	582	13	894	17	1,019	19
Finland ...	146	3	167	3	590	7
Sweden ...	199	3	266	3	470	5
Czecho-Slovakia	165	3	380	5	171	2
<i>Paper for Packing</i>						
<i>Citrus Fruits—</i>						
Total ...	1,550	36	1,428	28	1,297	23
Sweden ...	994	23	772	15	752	14
Czecho-Slovakia	372	9	418	8	469	8
<i>Other Paper for Packing—</i>						
Total ...	1,499	23	2,236	31	2,673	39
Sweden ...	476	9	544	9	844	13
Czecho-Slovakia	179	3	670	8	439	6
<i>Cardboard—</i>						
Total ...	1,173	13	1,330	15	2,003	21
Finland ...	495	4	306	3	885	8
Austria ...	196	3	277	4	337	4
Sweden ...	183	2	398	4	245	3
<i>Cigarette Paper—</i>						
Total ...	29	4	34	5	41	5
France ...	18	2	19	2	19	2
Italy ...	6	1	13	2	21	3

Paper Bags.—1933, 503 tons, valued at £P.11,000; 1934, 540 tons, valued at £P.12,000, chiefly from Austria.

Other paper and cardboard, such as waxed paper, shaped paper for envelopes, empty paper boxes, roofing paper and cardboard :

1933	...	...	...	...	£P.21,000
1934	...	...	...	...	£P.35,000

There is also a small import of playing cards valued in 1934 at £P.2,000.

Printing ink and printers' type.—Imports of printing ink were valued at £P.4,000 in 1933 and £P.5,000 in 1934, chiefly from Germany : of printers' type at £P.6,000 and £P.13,000 respectively, mostly from Poland.

Leather.—There is a considerable import of leather but the U.K. share is small.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>	<i>Tons.</i>	<i>Thous. £P.</i>
(i) <i>Sole Leather and Tanned Hides—</i> Total ...	200	21	201	21	253	26
Egypt ...	132	11	104	9	102	9
Syria ...	27	3	51	5	96	10
Hungary ...	11	2	10	2	14	2
United Kingdom	9	1	16	2	7	1
(ii) <i>Upper Leather, Designed, Glazed, Chamois and Kid—</i> Total ...	9	9	18	15	22	19
United States of America ...	7	7	12	10	11	10
(iii) <i>Upper Leather, other—</i> Total ...	76	28	92	30	126	45
Hungary ...	11	9	18	11	32	21
Syria ...	41	6	48	6	68	9
Germany ...	7	4	9	5	6	4
(iv) <i>Leather for Upholstery and Fancy Goods—</i> Total ...	4	2	7	3	8	4
Germany ...	2	1	3	2	2	1

Metals and manufactures thereof.

Iron and Steel.—Iron ore and scrap was imported in 1934 to the value of £P.1,000 chiefly from Egypt, cast iron and pig iron to the value of £P.9,000, chiefly from Russia. Imports of iron bars, angles, rods, and girders have already been given under "building materials". Other leading imports in this group are as follows:—

Iron Black Sheets, plain or corrugated : 1933—1,621 tons valued at £P.13,000; 1934—2,610 tons valued at £P.23,000 (mainly from Belgium).

Iron Galvanised Sheets, plain or corrugated: 1933—2,357 tons valued at £P.32,000; 1934—3,643 tons valued at £P.53,000 (mainly from Belgium and U.K.).

Bedsteads: 1933—£P.4,000; 1934—£P.4,000.

Enamelware: 1933—162,000 tons valued at £P.11,000; 1934—214,000 tons valued at £P.14,000 (mainly from Yugo-Slavia and Hungary).

Nails (exceeding 26m/m in length): 1933—543 tons valued at £P.8,000; 1934—681 tons valued at £P.9,000 (mainly from Czecho-Slovakia, Belgium and Germany).

Other nails, nuts, bolts, screws, rivets, and staples: 1933—719 tons valued at £P.18,000; 1934—948 tons valued at £P.24,000 (mainly from Germany, Belgium and France).

Stoves: 1933—£P.29,000; 1934—£P.44,500 (mainly from Sweden and Germany).

Iron tubes, pipes and fittings thereof.

—	1932.		1933.		1934.	
	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>	<i>Tons.</i>	<i>Thous.£P.</i>
Total ...	6,419	119	11,978	215	20,470	366
Germany ...	2,175	43	1,338	29	7,765	139
Czecho-Slovakia	368	7	4,810	81	4,131	76
Poland ...	599	10	2,722	46	2,728	43
United King- dom ...	2,145	38	1,544	26	2,517	37
<i>Iron Wire—</i>						
Total ...	1,495	21	2,944	41	4,630	55
Belgium ...	1,010	13	2,096	28	2,367	28
Italy ...	—	—	65	1	730	8
Germany ...	395	6	325	5	690	8
Czecho-Slovakia	4	(a)	236	3	198	3

(a) Less than £1,000.

Wire Netting: 1933—267 tons valued at £P.10,000; 1934—319 tons valued at £P.13,000 (mainly from Germany and Austria).

Empty Cylinders and Drums.—1934, £P.5,000.

Iron Hoops for Barrels.—1934, £P.2,000.

Safes.—1934, £P.3,000.

Stoves for Geysers.—1934, £P.4,000.

Water Heaters etc.—1934, £P.7,000 (mainly from Germany).

Other iron and steel manufactures not classified.

Total	...	...	...	...	1932.	1933.	1934.
					Thous. £P. 57	Thous. £P. 96	Thous. £P. 167
Germany	...	...	...	...	32	49	60
United Kingdom	...	...	...	...	8	11	29
Austria	...	...	...	...	4	10	17
Belgium	...	...	...	...	4	9	17

*Other metals and manufactures thereof.**Aluminium* (mainly from Switzerland and Germany).

Foil and tin-foil : 1933—22 tons valued at £P.4,000 ; 1934—17 tons valued at £P.4,000.

Sheets : 1933—28 tons valued at £P.4,000 ; 1934—58 tons valued at £P.7,000.

Manufactures : 1933—44 tons valued at £P.11,000 ; 1934—50 tons valued at £P.13,000.

Brass and Copper (mainly from U.K. and Germany).

Sheets, bars and ingots : 1933—205 tons valued at £P.11,000 ; 1934—349 tons valued at £P.18,000.

Manufactures : 1933—£P.30,000 ; 1934—£P.30,000.

Lead (mainly from Belgium).

Sheets, bars and ingots : 1934—£P.1,000.

Pipes : 1934—£P.5,000.

Other : 1934—£P.3,000.

Nickel (mainly from Germany, Austria and Italy).

Manufactures : 1933—£P.14,000 ; 1934—£P.27,000.

Tin (mainly from U.K.). Bars, and ingots, pewter and solder : 1933—£P.8,000 ; 1934—£P.12,000.

Plate—Sheets.

—		1932.		1933.		1934.	
Total	...	Tons. 1,467	Thous. £P. 29	Tons. 1,748	Thous. £P. 35	Tons. 2,569	Thous. £P. 52
United Kingdom	...	1,399	27	1,635	33	2,121	43

Other Manufactures : 1933—£P.5,000 ; 1934—£P.12,000.

Zinc (mainly from Belgium). Sheets : 1933—£P.5,000 ; 1934—£P.9,000 ; Manufactures : 1933—£P.700 ; 1934—£P.1,000.

Instruments.—Under this group the leading items are as follows :—

Dental, Medical, Optical and Veterinary—

	1932. Thous. £P.	1933. Thous. £P.	1934. Thous. £P.
Total	24	49	86
Germany	12	29	32
United Kingdom...	3	5	15
<i>Watches and Clocks—</i>			
Total	11	25	50

(mainly from Switzerland and Germany).

Water Meters: 1933—£P.13,000; 1934—£P.19,000 (mainly from U.K., Belgium and Germany).

Photographic Apparatus: 1933—£P.17,000; 1934—£P.24,000 (mainly from U.K. and Germany).

Cinema Apparatus: 1933—£P.5,000; 1934—£P.5,000 (mainly from Germany).

Imports of synchronised cinema films with sound on film were valued at £P.11,000 in 1933 and £P.15,000 in 1934 (chiefly U.S.A.).

The cinema business is thriving. One or two large up-to-date houses have been opened in 1935, notably the "Armon" in Haifa, and the "Rimon" in Tel-Aviv. An Arab company has been formed to erect and manage new cinema houses.

Cutlery.—Knives, scissors and razors: 1933—£P.11,000; 1934—£P.24,000 (mainly from Germany and U.K.).

Safety razor blades: 1933—£P.8,000; 1934—£P.8,000.

Goldsmith's-ware and Silversmith's-ware.—1933—£P.16,000; 1934—£P.26,000 (mostly Germany, Austria and U.K.).

Musical Instruments.—Imports of gramophones rose in value from £P.12,000 in 1933 to £P.17,000 in 1934, and of gramophone records from £P.8,000 to £P.15,000. The U.K. was the largest supplier in gramophones, but second to Germany in records. Imports of pianos and pianolas rose from £P.11,000 in 1933 to £P.13,000 in 1934, chiefly from Germany and Austria. "Other musical instruments" were imported to the value of £P.5,000 in 1934.

Toys and Games.—The value of imports of toys and games fell from £P.24,000 in 1933 to £P.22,000 in 1934, chiefly from Japan, Germany, and the U.K.

Oilcloth and Linoleum.—Imports of oilcloth and linoleum rose in value from £P.11,000 in 1933 to £P.16,000 in 1934, chiefly from the U.K.

Chemicals, Drugs, Dyes and Colours.—Statistics of paints and colours have been given at page 15. Other leading items in the group are as follows:—

			1932.	1933.	1934.
			Thous. £P.	Thous. £P.	Thous. £P.
<i>Drugs and Medicines—</i>					
Total	...	...	52	71	117
Germany	...		19	21	36
France	...	...	10	16	26
U.K.	...	...	10	12	20
<i>Disinfectants and Insecticides—</i>					
Total	...	...	11	9	20
U.S.A.	...	...	7	5	13
U.K.	...	...	2	2	4
<i>Caustic Soda—</i>					
Total	...	...	13	13	15
U.K.	...	...	12	12	14

Fertilisers.—In fertilisers, consignments from the U.K. hold the market.

		1932.		1933.		1934.	
		Tons.	Thous. £P.	Tons.	Thous. £P.	Tons.	Thous. £P.
<i>Chemical.</i>							
Total	...	6,028	52	10,750	96	12,853	105
U.K.	...	3,250	30	6,661	61	7,853	65
Germany	...	—	—	—	—	1,397	14
Holland	...	—	—	—	—	957	7
<i>Other Fertilisers.</i>							
Total	...	3,299	9	1,665	4	2,387	4

(largely from Syria).

Toilet preparations.—Imports of perfumery and toilet preparations rose in value from £P.32,000 in 1933 to £P.45,000 in 1934, chiefly from France, U.K. and Germany; and of dentifrices from £P.6,000 to £P.7,000.

Acids.—The value of imports of acids (carbonic, citric, sulphuric, tartaric and other) amounted in 1934 to £P.10,000; chiefly consigned from U.K. and Germany.

Other Chemical Manufactures.—That of other chemical manufactures (of which chlorine, potassium chlorate, and sodium carbonate are the most important) amounted to £P.38,000 chiefly from U.K. and Germany.

Dyes.—Dyes (including aniline, indigo, henna, ultramarine blue and other) were imported in 1934 to the value of £P.12,000 chiefly from Germany.

Used personal effects.—During the past two years the value of used personal effects, imported chiefly by immigrants, has been large.

					1933. Thous. £P.	1934. Thous. £P.
<i>Used personal effects—</i>						
Total	...	...	...	...	437	499
Germany	...	...	...	...	237	256
Poland	...	...	...	...	88	106
U.S.A.	...	...	...	...	20	21
Austria	...	...	...	...	9	18
U.K.	...	...	...	...	17	14

A large number of countries figure under this item. Such effects are duty free.

Importations by the Iraq Petroleum Company.—Importations by the I.P.C., which are duty free, are not classified in the statistics by commodities but grouped under one heading.

I.P.C.

1932: Total £P.671,155; U.K. £P.292,922.

1933: Total £P.694,588; U.K. £P.278,308.

1934: Total £P.305,850; U.K. £P.218,334.

Principal Exports.

A table showing the principal exports and their values, during the past five years, appears as Appendix G to this report. The following comments may be added:—

Citrus fruits.—Export statistics are:—

		1932.		1933.		1934.	
		Thous. cases.	Thous. £P.	Thous. cases.	Thous. £P.	Thous. cases.	Thous. £P.
<i>Oranges in cases—</i>							
Total	...	3,525	1,701	4,200	1,949	5,129	2,430
U.K.	...	2,494	1,207	3,037	1,406	3,295	1,544
Germany	...	662	315	739	346	1,181	576
<i>Grape Fruit—</i>							
Total	...	150	80	251	129	420	220
U.K.	...	120	63	186	96	322	169

There was also some exportation of citrons, lemons in bulk and in cases, and oranges in bulk, giving for the calendar year 1934 the total value of the citrus fruit export as £P.2,672,000 of which the U.K. took £P.1,715,000 or 64 per cent.

Fruit juices and fruit products.—The export of fruit products is showing signs of expansion especially fruit juice and syrups such as citrus “squashes”.

			1932.		1933.		1934.	
			Tons.	Thous. £P.	Tons.	Thous. £P.	Tons.	Thous. £P.
<i>Fruit Juice and Syrups—</i>								
Total	...	...	95	5	144	7	167	7
India	...	...	31	2	34	2	45	3
U.K.	...	...	9	(a)	33	1	51	1
Egypt	...	...	9	(a)	12	1	15	1

(a) Less than £1,000.

Alcoholic Beverages.

			1932.		1933.		1934.	
			Hecto- litre.	Thous. £P.	Hecto- litre.	Thous. £P.	Hecto- litre.	Thous. £P.
<i>Wines—</i>								
Total	...	...	13,761	31	9,432	22	8,127	23
U.S.A.	...	...	415	3	247	2	853	8
U.K.	...	...	1,130	7	1,134	6	982	4
Egypt	...	...	10,249	14	5,401	6	4,374	4

The wine industry is discussed at page 56. There is a small export of brandy and cognac which was more than doubled in 1934 to 286 hectolitres valued at £P.6,000, consigned chiefly to the U.S.A.

Barley.—After four bad seasons, the barley export showed signs of revival in 1934, owing to a slightly better harvest, but only amounted to 4,000 tons valued at £P.19,000. The good rains of 1934-35 should improve this trade. Palestinian barley used to be exported in large quantities to the U.K. for malting purposes before the War, but appears to have been superseded by Californian barley.

Trade Fairs.

Levant Fair in Tel Aviv.—The sixth Levant Fair was held at Tel Aviv in 1934 from the 26th April to the 5th June. These fairs are promoted by the Mischar w'Taasia Co. of Tel Aviv and have grown steadily in size and importance. For the 1934 Fair a new site by the sea shore was inaugurated with thirty permanent exhibition pavilions, planned in accordance with modern exhibition requirements. £P.100,000 was spent in developing the site. Influential committees of patronage were organised abroad for the various national pavilions and collective exhibits; that of the British Pavilion by the Federation of British Industries in co-operation with the Department of Overseas Trade. Belgium, Bulgaria, Czechoslovakia and Poland also exhibited in national pavilions. An

excellent display of local Jewish industries was given in the Palestine Pavilion, and various Government departments exhibited in the Palestine Government pavilion. In all 2,861 firms from some 32 countries participated. 505 British firms were represented mostly through local agents. The official attendance figure was 600,000. There were many buyers from Egypt, Syria, and other neighbouring countries. Direct sales at the Fair were estimated at an amount of £P.500,000.

The next Levant Fair is to be held in the Spring of 1936, and firms wishing to participate should apply to the Mischar w'Taasia Co., Ltd., P.O.B. 21, Tel Aviv. It is the aim of the promoters to attract Jewish buyers from all over the world to Tel Aviv, and thus to render the Levant Fairs, which were originally purely parochial in their interest, and are now of leading importance in the Near and Middle East, world-wide in their scope.

Arab Fair in Jerusalem.—The second Arab Fair was held in Jerusalem in 1934 from the 6th April to the 24th May. The exhibits were mainly the products of Arab manufacturers in Palestine and neighbouring countries. About 150 firms participated and a large variety of products was shown. The promoters were the Arab Fair Co., Ltd., who seek to establish regular market organisations for Arab manufactures and to foster trade between Arab countries. Attendance at the Fair and business done were satisfactory.

IV.—NATURAL RESOURCES.

Agriculture.

General.—Palestine remains primarily an agricultural country. In world markets her citrus fruits are her only produce of outstanding importance. The Palestine Government encourages agricultural development in every possible way, adopting a policy of close co-operation between official and non-official interests. A General Agricultural Council was appointed in 1931, and under its auspices have been set up Committees on Agricultural Economics and Marketing, Horticulture, Plant Protection, Agricultural Chemistry, Citrus Fruit, Irrigation, Animal Husbandry, Citrus Fruit Advertising, Agricultural Education, Agronomy, and (the most recent) Citrus Transport and Marketing. The members of these committees are official and non-official experts in each subject. The organisation and operation of the Department of Agriculture in the Palestine Government are designed to co-ordinate the work of the Council and its committees. Government farms, experimental and demonstration stations have been established in various centres, notably the Stock Farm and Agricultural Station at Acre.

Selected farm seeds and budded and grafted fruit trees are distributed, and animals served, at low nominal rates. The Department operates a number of technical services and is especially active in fighting cattle epidemics, locusts, field mice, insect pests and plant diseases. Agricultural Colleges have been established by Government, under the Jewish "Kadoorie" bequest, at Tulkarm (for Arabs) and at the foot of Mount Tabor (for Jews). There is also the Jewish Agricultural College at Mikveh Israel (the oldest in Palestine), an agricultural school maintained by the Salesian Fathers at Beit Jamal mainly for orphans, and agricultural schools for Jewish girls maintained by the Women's International Zionist Organisation at Nahalal and Ayanoth near Rehoboth. Two or three Jewish "Children's Villages" are primarily intended to give agricultural training, such as Ben Shemen near Lydda.

It should be remembered that the basis of Jewish settlement in Palestine was originally agricultural, and, in the opinion of most responsible leaders of the movement, remains agricultural. The present tendency for the majority of the recent Jewish immigrants to concentrate in the urban areas, owing to the high wages there obtainable is deprecated by the Jewish authorities who are taking steps to counteract it.

In agriculture, investments during 1934, chiefly for the plantation of new citrus groves, were estimated officially at £P.2½ million.

As in 1933, the Government found it necessary in 1934 to accord relief to cultivators and stock-owners affected by crop failures and drought. Seed and fodder loans were granted both in cash and in kind. In certain areas, village road works were undertaken to provide employment. Arrears of loans and taxes were waived and tithes remitted to an amount of £P.129,726 or 53 per cent. of the total tithe due, excluding citrus tithe which was not affected.

Fortunately, however, 1934 was more favourable to agriculture than the three preceding years of drought. Harvests were not uniformly good, but the total yield of cereals was not much below normal. Wheat and barley prices fell by 10 per cent. and there was an appreciable surplus of barley for export for the first time in four years. There were good rains in the winter of 1934-35 and agricultural prospects for 1935 are favourable despite the paucity of late rainfall in the Spring and an early heat-wave.

Rainfall and irrigation are of vital importance to agriculture in Palestine: but, as Government and private irrigation schemes develop, so Palestine tends to depend less and less on the vagaries of the weather.

The Jewish Agricultural Settlements.—The earliest Jewish agricultural settlements were established by the Palestine Jewish Colonisation Association (P.I.C.A.) in 1882. This Association is a Rothschild foundation with headquarters in Paris. It started such well-known settlements as Petach Tikvah near Tel Aviv,

Rosh-Pina in Galilee, and Zikron Ya'aqov in Samaria. In the P.I.C.A. settlements of which there are now twenty-nine, the land belongs to the Association which administers the settlement. The Association undertakes development works. In 1934, for instance, it completed a drainage scheme in the Kabbara swamps.

Of a different category are the settlements established by the Zionist Organisation on land purchased by the Jewish National Fund such as the greater part of the Emek (vale of Esdraelon), or areas in the Plains of Sharon and Zebulun (the coastal plain) or in certain hill districts. Here the land is rented to the settlers (chalutzim—pioneers) on long leases, remaining the inalienable property of the Jewish National Fund. Some Zionist settlements are of the smallholding type, each farmer developing his own holding: others are operated on communal lines (Kvutza settlements), the land being held and farmed by the settlement as a whole. All property of the settlement is held in common. All earnings of members are pooled. There are communal dining-rooms and kitchens, and a separate house for the children who are looked after by special nurses. In all Zionist settlements the purchasing and marketing is mainly co-operative. Large sums have been expended by the Jewish Foundation Fund and Jewish National Fund in their establishment; and, until recently, there can have been little question of payment even of the low interest or rent charges expected. Now, however, that local demand for their produce has so greatly expanded, some of the settlements are not only self-supporting but are able to meet such charges. An important factor in the development of the Zionist Organisation settlements is the principle laid down that the farmer or group shall employ no outside labour, or, if labour must be hired, shall employ Jewish labour only, although, owing to the recent shortage of labour, it is doubtful whether this condition can be fully carried out.

The organisations of the General Federation of Jewish Labour also prepare land for settlement and many private agencies and joint stock companies such as the Bnei-Benjamin, Palestine Plantations Ltd., or the Anglo-Palestine Citrus Coy.

The General Federation of Jewish Farmers is composed of independent land-owners and settlers and exists to promote and centralise the interests of individual farmers. It has established an agricultural school and a farmers' bank.

The German Templar Community.—The German Templar community numbers less than 2,000, but has exercised considerable influence in agricultural development. The Templars are a Christian community originally from Württemberg who first settled in Haifa in 1869. There are several Templar settlements in the Haifa, Jaffa and Jerusalem districts. They are excellent farmers and also engage in various industries, especially foundry and metal works.

Citrus Fruits.—"Jaffa" oranges ("Shamoutis") have long been classed of the best quality, and the grapefruit of Palestine, a comparatively new development, is rapidly gaining in reputation. The citrus groves lie for the most part in the sandy maritime plain stretching from Gaza to Acre, especially in the Plain of Sharon. Their area has more than doubled since 1930, increasing by about 11,000 acres in 1933 and about 12,500 acres in 1934, and is now estimated at 66,000 acres of which 56 per cent. is in Jewish hands. The total production of citrus fruits probably exceeds the export in a normal year by 10 per cent. to 15 per cent. and may be placed for the 1934-35 season at some 8½ million cases. On this reckoning about a million cases had to be disposed of in Palestine during the 1934-35 season. The question of disposal of "culls" is a difficult one and has yet to be solved. Many new groves will come into production in 1935, and a further considerable expansion of production is to be anticipated during the next few years.

1934-35 Citrus Season.—The citrus season runs from November to April, January, February and March being the principal months. Accordingly, the 1934 customs statistics represent mainly fruit of the 1933-34 season. Total exports of citrus fruits in the 1934-35 season exceeded all previous records viz. :—

				<i>Cases.</i>
1932-33	...	...	...	4,490,409
1933-34	...	...	...	5,533,549
1934-35	...	...	...	7,330,846

Of the 1934-35 total, over 6½ million cases were oranges, 666,000 cases grape-fruit, the remainder lemons and other citrus fruits. The grape fruit export rose by more than 50 per cent. compared with 1933-34. Just under 3 million cases were shipped from Haifa and over 4 million from Jaffa. About 165,000 cases were exported by rail via Kantara. Owing to weather conditions adverse to picking and transport, exports in February were less than in January or March. The March shipments amounted to some 2 million cases.

The principal countries of consignment were as follows :—

<i>1933-34.</i>				<i>1934-35.</i>	
	<i>Cases.</i>	<i>Per cent.</i>		<i>Cases.</i>	<i>Per cent.</i>
U.K.	3,554,624	64·3		5,270,490	71·9
Germany	1,322,887	24·0		509,494	6·9
Holland	145,927	2·6		367,895	5·0
France	39,557	0·7		170,586	2·3
Roumania	110,751	2·0		170,027	2·3
Poland	31,459	0·6		163,086	2·2
Belgium	35,074	0·6		124,006	1·7
Sweden	48,182	0·9		108,325	1·5
Norway	48,182	0·9		105,791	1·4

Leading countries taking less than 100,000 cases were Denmark, Czechoslovakia, Switzerland, Canada, Finland, Yugoslavia and Russia.

With the exception of Germany, Denmark and Bulgaria, all countries increased their consumption in 1934-35, notably Holland, France, Poland and Belgium. It will be seen, however, that the main increase in consumption was in the U.K.: indeed the increase in export to the U.K. comparing 1933-34 with 1934-35 is little less than the increase in total export.

As regards Germany, the decline was due to exchange restrictions.

On the other hand, reductions in import duty or increase in quota for Palestine citrus were obtained from Poland, Holland, Lithuania, and Roumania.

Sweden has removed duties on Palestine grape-fruit in order to promote mutual trade. Canada recently abolished duty on oranges in transit via the U.K.

Nearly 86,000 cases were shipped direct to Dublin. Statistics of transshipment to the Irish Free States and elsewhere from the U.K. are not available.

The quantities carried by the various shipping groups direct from Jaffa and Haifa in 1934-35 were approximately as follows:—

<i>To the U.K.—</i>	<i>Cases.</i>
(1) British Conference Lines (i.e., Moss Hutchison, Prince, Westcott & Laurance, and Ellerman Lines)	2,140,000 (55 sailings.)
(2) Associated Lines (i.e., Torn, J. Gorthon, and Cunard Lines associated with (1))	1,230,000 (36 sailings.)
(3) Independent (i.e., Fred Olsen Line)	210,000 (8 sailings.)
(4) Jaffa Orange Lines (i.e., Mersk, Moller, Olsen Lines and chartered)	1,580,000 (47 sailings.)

Freight rates were lower than ever before.

Discussions are taking place between British Shipping interests and Palestine citrus exporters as to arrangements for next season.

<i>To the Continent—</i>	<i>Cases.</i>
(1) Deutsche Levante Linie	790,000 (22 sailings.)
(2) Svenska Orient Line	485,000 (16 sailings.)
(3) Fred Olsen Line	135,000 (8 sailings.)
(4) Lauritzen Line	98,000 (6 sailings.)
(5) Jaffa Orange Chartered	17,000 (1 sailing.)

Prices in 1934-35.—In spite of the frosts which much reduced production in Spain, the prices obtained for Jaffa oranges in the 1934-35 season were unsatisfactory; probably, on the average, at least 1s. 9d. a case less than the previous year. This was due, first, to the increase in supply. Markets were glutted by the arrival of several ships at one port (e.g. Glasgow) simultaneously. Secondly, heavy rains in January and February damaged the fruit. Grapefruit prices were also disappointing, at times falling below those per case for oranges because the demand was not equal to the supply. Citrus shipments continued until a later date than usual since consignments were held up in the hope of better market conditions. Certain shippers in Palestine appear to have had an unprofitable season.

Livestock and dairy produce.—The most recent animal enumeration published is for 1934 showing 135,500 cattle and buffaloes, 97,600 horses, mules and donkeys, 32,000 camels, 568,000 sheep and goats, 1,500,000 poultry. Summer grazing was normal in 1934 after a series of bad years and prospects are satisfactory for 1935. There is a large import of animals, chickens and eggs for food (see Chapter III); but local production is increasing rapidly. In many of the Jewish settlements the basis of settlement is the dairy, and numbers of bulls and cows have been imported from abroad, especially Holland. The Government Stock Farm and Agricultural Station does much for the general improvement of stock. Modern methods of dairy and poultry farming are being introduced and bee-keeping is extending. The annual production of honey is estimated at 150 tons, and there is a small export. Sugar required for feeding bees is obtainable by registered bee-keepers free of import duty when necessary owing to lack of natural feeding.

Olives.—In the hill districts of Palestine olives are one of the most important crops. During recent drought years, the yield has been insufficient for the needs of the refining and soap-making industry. The olive crop in 1934 was again poor but the oil content of the fruit was high. Cultivation is being encouraged by Government and it is estimated that 154,000 trees were planted by private enterprise in 1934.

Almonds.—Almonds are widely grown, especially near Ramleh, and were, in the past, an important export crop, but have suffered from pests. In recent years, almond groves have been up-rooted to give way to oranges and other crops and the export is rapidly dwindling.

Other Fruit Trees.—Figs, apricots, peaches and walnuts do well in Palestine. Extensive cultivation of fruit trees is being attempted, particularly apples, pears, quinces and plums in the hills, and bananas in the Jordan valley.

Forestry.—The total area of forests recorded is about 350,000 acres of which 6,750 acres are private eucalyptus and pine plantations and the remainder natural forests containing trees of various kinds, such as pines, oaks, pistachia, carob, poplar and tamarisk. The Government is planting about 700 acres annually.

Sericulture.—The Agricultural Department have taken active steps in recent years to encourage sericulture, a minor industry which might prove suitable in the hill districts of Palestine, but production is as yet small. In 1934, 20,000 mulberry seedlings were distributed free of charge.

Tobacco.—Some 4,000 acres are planted annually with tobacco especially in the Galilee neighbourhood, and the yield of the 1933 crop registered in 1934 was 420 tons, compared with 571 tons in the previous year. "Turkish" tobacco is grown and inferior qualities known as "Tombac" and "Heisheh". The Agricultural Department and local cigarette factories are encouraging cultivators to produce better class leaf and this tends to reduce acreage and tonnage production.

Cereals and other crops.—Of winter crops wheat and barley are the most important: beans, peas, lentils and chick-peas are largely cultivated. The wheat crop in recent years has only represented a fraction of the local demand.

The 1935 harvest is good except in the South.

The usual summer crops are maize and millet, melons, sesame and vegetables generally. Government is encouraging the cultivation of potatoes by means of protective measures and in other ways.

Sesame.—The cultivation of sesame for the local oil and soap-making industry is being encouraged.

Melons.—Melons are cultivated on a large scale, but have given way to citrus fruits in many areas, and the market has collapsed owing to the high tariff imposed by Egypt. Melon cultivation suffered severely in the recent heat-wave.

Grapes.—Both table grapes and grapes for wine are largely cultivated in Palestine and are exported on a fair scale. The area under vineyards is roughly estimated at 2,500 acres.

Fisheries.—Statistics of fish imports are given at page 26, where the paucity of local supply is noted. An expert was employed by the Government in 1934 to investigate and report on the position. It is understood that he recommended in general that a fishing industry should be built up step by step rather than that an elaborate programme should be undertaken. Attempts are being made to establish artificial breeding grounds, especially for carp. The estimated local catch in 1934 was 1,294 tons valued £P.46,000, a slight increase compared with 1933.

Mineral Resources.—The mineral resources of Palestine at present exploited are mainly potash and bromine from the Dead Sea; salt; limestone and clay for cement; building stone of good quality and marbles; sulphur. Others not exploited are bituminous limestone, gypsum, manganese, copper and iron ore, chromium. Phosphate deposits occur in various parts and may come to be developed.

Mineral Springs.—There are a number of mineral springs in the Jordan depression and the valleys leading thereto. Two of these are being developed as spas, Tiberias spring on the shore of the lake by a Jewish company and Al-Hamma spring in the Yarmuk valley by Arab interests. The curative value of both these springs was well-known in Roman times.

V.—INDUSTRY

General.—Various factors have combined to foster the rapid development of local industries in the past two or three years. In the first place they form an outlet for the new capital flowing into the country, a considerable proportion of which is still lying idle. They also provide work for new immigrants. Their promoters are often new arrivals with years of experience in particular industries which they desire to use in their new home. Local demand has so much increased as to justify local production of certain goods and expansion of existing factories. The promoters are fortunate in that they can open their works with the most modern plant and methods. As the result of extensive propaganda, products of Palestine (*Hebrew—Tozereth Ha'aretz*) are bought in preference to imported articles. It is thus hoped to reduce to some extent the large apparent adverse trade balance. The Government have assisted certain industries by means of protective tariffs, and, generally, by exempting raw and partly manufactured materials from customs duties. In present conditions the export of locally-manufactured goods, although an end in view, is not of great moment, since production is for the most part absorbed by local demand. As the statistics in appendix G show, its value in 1934 was about £P.400,000.

The Trade and Industry Department of the Jewish Agency published in 1934 a directory of Jewish manufacturers and artisans. It contains 3,388 names of which 970 are classed as manufacturers and the remainder as artisans. Corresponding figures for 1935 would be considerably higher. That most of these establishments are very small is indicated by the fact that in 1934 they employed in all only 20,000 workers, although including such large concerns as the Palestine Electric Corporation. It is estimated that the total capital now invested in local industry is some £P.6,500,000, an increase of between £P.1 and £P.1½ million

during 1934; and that the total output of local factories in 1934 was some £P.6,500,000, nearly £P.1,000,000 more than in the previous year.

About 170 new industrial establishments were started by Jews in 1934 and new plant is under erection. Published customs statistics indicate importation during 1934 of about three-quarters of a million pounds worth of industrial machinery. Apart from the establishment of new factories, many old works are being enlarged or moved from residential to industrial areas which are regulated by official town-planning committees. There has been particularly rapid development in the industrial area situated in the sand dunes of Haifa Bay. The growth of the industrial areas at Ramat Gan and other places near Tel Aviv has been hardly less striking.

It is noteworthy that on several occasions the Jewish Manufacturers Association has adopted resolutions in favour of buying British plant and materials.

In the following paragraph the various industries are discussed seriatim those making use of the mineral and agricultural resources of the country being considered first.

Dead Sea Salts.—The Palestine Potash Company, Ltd., incorporated in England, operates a concession granted for 75 years from the 1st January, 1930, to extract potash and other mineral salts from the Dead Sea. The Company's operations are still in the development stage. The present potash output capacity of the works on the Northern shore of the Dead Sea is some 25,000 to 30,000 tons annually. Potash is obtained by evaporation and is exported to a number of markets abroad. The output is increasing. Bromine is also produced and output has recently almost doubled. The company claim to supply 74 per cent. of the U.K. consumption of bromine. Other products are magnesium chloride and calcium chloride.

The issued capital of the Company is £P.747,000. In February, 1935, 350,000 5½ per cent. £P.1 preference shares were issued, preferential right of allotment being given to Palestinian citizens and Trans-Jordan nationals.

It should be noted that the exports of the Company are included in the official trade statistics under the heading unspecified manufactured goods.

Cement.—At the time of writing the only local producer is The Portland Cement Company "Nesher", Ltd., incorporated in London, which is one of the largest and most important individual firms in the country. Its works are near Haifa close to ample supplies of limestone and clay. The company started production in 1925, and its paid up capital is £P.300,000. Output in 1934 was given as 155,000 tons (roughly 50 per cent. of consumption in Palestine), an increase of 15 per cent. compared with 1933. The

works are being enlarged, and when the extension is complete, the total output of the Company is expected to amount to over 300,000 tons annually. Owing to increased local demand the company's exports have fallen from 10,000 tons in 1932 to under 2,000 tons in 1934. The cement is of high quality produced under British standard specification (revised 1931). The industry is protected by tariff. The "Buy Palestine Products" movement assists it.

A new company, The Palestine Portland Cement Works "Shim-son", Ltd., was registered in February, 1935, with an authorised capital of £P.250,000 and proposes to erect a cement factory at Har Tuv in the foot hills on the Jaffa-Jerusalem railway where it will be in a good position to supply the demand in Southern Palestine.

It is reported, incidentally, that the two cement factories in Syria are rapidly increasing their production, which may in the next six months reach a figure of 250,000 tons, probably 100,000 tons in excess of the Syrian demand. Syrian cement pays no import duty in Palestine.

Vegetable Oils and Soap.—The production of olive oil in presses and the manufacture of olive oil soap are traditional industries of Palestine, and especially of the town and district of Nablus where there are a large number of presses and soap factories capable of an annual output of thousands of tons. From a commercial point of view, the local olive oil is of inferior quality as edible oil but good for soap manufacture. It contains a high percentage of acid owing to primitive methods of production, and there is little or no export. The local olive oil soap was formerly produced on a very large scale and mainly marketed in Egypt where it was specially prized for its purity in olive oil content: but the industry has suffered severely, first, from tariff restrictions in Egypt, and, secondly, from the competition of acid oil soap made more cheaply from imported oils both in Palestine (particularly at Jaffa) and in Egypt. The export fell from 5,853 tons valued at £P.254,000 in 1925 to 2,684 tons valued at £P.69,000 in 1934 (practically all to Egypt and Syria). Nevertheless, it still remains one of the leading items in the country's export trade after citrus fruits. The Government is considering steps to ameliorate the situation, since the decline in the soap making demand is likely to prove a serious matter for olive growers in Palestine. So far, however, growers have been little affected because the recent years of drought reduced the local olive crop to such an extent that unrefined oil has actually been imported to Palestine in large quantities during 1933 and 1934. Various oil seeds and nuts are also imported for the local oil and soap industry, such as sesame, coconut, sunflower and especially ground-nut. The export of edible ground-nut oil produced in Palestine from imported nuts was valued at £P.35,000 in 1934.

Of a different category is the modern factory operated at Haifa by the Palestine Oil Industry "Shemen", Ltd. At the "Shemen" works olive and other vegetable oils are refined, and toilet and laundry soaps produced, for local consumption and for export. Experiments are being made in cosmetics and other toilet preparations, some of which already enjoy a good sale locally. Indeed, local consumption of the Company's products generally much increased in 1934; and, in spite of the difficulties in the export trade, it is stated that their output rose by 50 per cent. in quantity and 25 per cent. in value compared with 1933, total sales amounting to £P.300,000 during the year. The works are being extended.

Considerable quantities of feeding cake are produced as a by-product of the oil and soap industry.

A new venture of interest is the "Sherf" Company with modern plant at Rishon-le-Zion to make soap and allied products.

Wine.—The wine industry, another of the traditional industries of Palestine, was established on a commercial basis about fifty years ago by Baron Edmond de Rothschild, who installed modern plant and large cellars now controlled by the Société Co-operative Vigneronne des Grandes Caves, Richon-le-Zion et Zichron-Jacob. French and Spanish replants have been introduced giving good quality wines.

In all there are fifteen licensed wine presses in Palestine. The excise duty is 3 mils per litre not exceeding 15° alcohol and 8 mils from 18° to 25°.

Recent output statistics in hectolitres are as follows :—

<i>Wine Output.</i>				<i>Produced.</i>	<i>Delivered for Home Consumption.</i>	<i>Exported.</i>
1932	...	...	...	31,559	7,957	13,761
1933	...	...	...	16,291	10,664	9,333
1934	...	...	...	23,789	13,508	8,127

Production rose in 1934 following a reduction in licence fees, but remains much below that of ten years ago when the annual average was between 40,000 and 50,000 hectolitres. Difficulties of marketing abroad have stunted the growth of the industry, and, of recent years, the area under vine has been reduced giving place to citrus and other fruits. Imports of foreign wines tended to increase in 1934 and exports rose slightly. Egypt used to be the principal market but restrictive measures have been taken in Egypt, now third on the list of customers for Palestine wines. On the other hand the industry is benefiting from increased local demand.

Distilleries.—There are 17 licensed distilleries in Palestine, producing arak, cognac, and other spirits, chiefly from grapes. Production in 1934 was as follows in hectolitres :—

<i>Spirits Output.</i>	<i>Produced.</i>	<i>Delivered for Home Consumption.</i>	<i>Exported.</i>
Arak	419	2,363	8
Cognac	2,035	773	286
Other Spirits	8,537	1,306	7

The excise duty on arak is 75 mils, on cognac 90 mils, and on other spirits 100 mils per litre of alcohol. Production and release of cognac and other spirits greatly increased in 1934 compared with 1933 as did the export of cognac.

Beer.—A new company, the Palestine Brewery, Ltd., was registered in December, 1934, with a capital of £P.50,000 and is expected shortly to come to production. The brewery is in Richon-le-Zion near Jaffa. Import statistics, and the development of import from Syrian breweries, are noted at page 30.

Fruit juices and fruit and vegetable products.—The manufacture of fruit juices and fruit products is a growing industry, and one which may prove of great importance especially for the disposal of surplus citrus fruit and culls.

The leading factory is the Palestine Fruit Products " Assis " Company, Ltd., founded about five years ago with works at Ramat Gan near Tel Aviv, where juices, " squashes ", jams, marmalades, preserves, and tomato ketchup, of good quality are produced. The share capital of the company was recently raised. Its output is rapidly increasing both for the local market and for export. The works are being enlarged and new products introduced.

There are other similar concerns engaged in this industry. For example a co-operative society at Rehovoth exports citrus-juice in barrels especially to the U.K.

There is some canning, especially of vegetables for the local market; and attention is being directed to the possibilities of this industry in which Primason, Ltd., is a notable new venture.

Tobacco.—There are fourteen licensed factories in Palestine for the manufacture of cigarettes, tobacco, cigars and snuff. Their total output in 1934 was: cut tobacco, 16 tons; cigarettes, 637 tons; tobacc, 75 tons; snuff, 7 tons; heishch tobacco, 4 tons; heishch cigarettes, 8 tons; cigars, 1 ton. A considerable proportion of imported leaf is used by the factories. Cigarettes are their principal product and they supply over 90 per cent. of the local product.

Matches.—The " Nur " match factory of Acre, established in 1926 by Swedish interests, enjoys a monopoly of production in Palestine and has virtually captured the local market. Raw

materials are imported. Production rose in 1934 to over 175,000 gross of boxes, and is said to have been assisted by an increase in the import duty on mechanical lighters. In 1935, the company began to produce booklet matches. The excise duty on matches is 125 mils per gross of boxes not exceeding 10,000 matches rising proportionately.

Textiles and apparel.—The factories manufacturing textiles and articles of clothing are small in size but large in number. The industry is almost exclusively Jewish and may be said to have been founded in 1924 by immigrants from Lodz in Poland. The "Lodz" factory which is still amongst the foremost was then established. The "Gereb" Company, in Ramat Gan, was the first to introduce automatic machinery. The importance of the industry is illustrated by the import statistics of yarns, viz.: 1934: cotton £P.80,000: woollen £P.52,000: silk and artificial silk £P.33,000. Most of the factories are in the Tel Aviv district. Their principal products are knitted wear, hosiery, sweaters, bathing clothes. Socks and stockings of a cheap quality remain the leading item.

Blouses and pyjamas, underwear, hats, belts, garters and braces, shoe laces, ribbons and similar minor articles of apparel are made by various firms. Several establishments make corsets and ladies underwear; others leather coats and rubber water-proofs. A number of machine tailoring establishments have been set up.

The import statistics in Chapter III indicate that these industries have as yet had little effect on the total demand from abroad, but they are undoubtedly making headway in articles in which they specialise.

While the ancient Arab weaving industry of Mejdal and embroideries of Ramallah and Bethlehem are not of great commercial importance, they cannot go without mention in this report.

Metals.—An important group of factories is working in metals for the local demand. One or two foundries such as the Jaffa Iron Works have long been in existence; but many new metal-working establishments have recently been set up, especially by immigrants from Germany.

Artificial Teeth.—A firm manufacturing artificial teeth (the American Porcelain Tooth Company, Ltd.), was established in 1927, and has made good headway in spite of the fact that all materials are imported. The works have just been enlarged and production is estimated at 5,000,000 teeth valued at £P.30,000. Most of the output is marketed abroad, figuring prominently in Palestine's minor exports.

Woodwork.—The leading workers in wood are the builders' carpenters and the citrus box makers.

The furniture industry introduced shortly after the war has developed rapidly with the great increase in local demand. The

factories are small but numerous. Perhaps the most important is the old-established works of Messrs Goralsky and Krinizy at Tel Aviv. Works are being extended, and new concerns introduced such as Tirsah, Ltd. Good quality furniture is produced, mainly veneered of modern design.

Flour Mills and Bakeries.—There are said to be over two hundred and fifty flour mills in Palestine. Most of them are of primitive construction and very small, but three or four are on a large and modern scale. With the great expansion in demand for flour, new mills are being established and existing mills investing in modern machinery.

At present the leading mill is that operated by the Grands Moulins de Palestine, Ltd., a Rothschild foundation, established at Haifa about twelve years ago with an authorised capital of £P.100,000. The potential daily output of this mill is about 75 tons of flour, and, in common with several other Jewish mills, "matzot" (unleavened Passover bread), is produced. "Gelat's Flour Mill" at Jaffa is the most important Arab mill.

A new flour mill is being established in the Haifa Bay area which is expected to be the largest and best-equipped in the country.

Considerable quantities of wheat are imported for the mills since the local grain is not considered of sufficient standard for high class flour.

Hardly any of the locally made flour is exported, and exports of "matzot" declined in 1934.

A number of companies operate bakeries, and a large new bakery, the "Beth Lahm", has recently been opened at Tel Aviv.

Other grain mills.—A site for a large rice mill has been chosen in the Haifa Bay area.

Bricks, stone and tiles.—There are two silicate brick works, one in Tel Aviv and one in Haifa Bay, both working at full pressure. Clay bricks are little used; but a number of concerns turn out cement bricks and other cement products such as drainage pipes.

High-class building stone is available in Palestine and quarry companies are doing well in the building boom despite the widespread cement construction and difficulties of transport.

The marbles produced by the Sela Company of Jerusalem are especially worthy of note.

Two factories are making good quality roofing tiles, and a number flooring tiles, coloured and mosaic.

Pottery.—The Jerusalem pottery industry has long been established and is well known to tourists.

Tanneries, shoe making and leather-working.—There are a number of small tanneries in Palestine, about half a dozen using machine processes. They work local hides for the most part but there is some import (e.g. buffalo hides: 1934, 150 tons valued at £P.10,000, mostly from Egypt).

Shoemaking is a flourishing industry, both Arab and Jewish, and there are several small factories. Local sole leather is used but upper leather is obtained largely from abroad.

Suitcases and handbags are also made and various fancy leather goods. The "Zetge" company is one of the most important in the latter industry. Much of the leather required is imported.

There is no export of dressed leather or shoes. Exports of handbags and pocket books, mostly to Syria, amounted in 1934 to £P.6,000.

Glass.—Establishments turning out mirrors from imported glass have been in operation for some years and have developed a small export trade.

Of interest but of no economic importance is the small glass industry at Hebron where various articles are fashioned from melted bottles.

Printing paper and stationery.—The number of newspapers and periodicals published in Palestine is considerable and includes several specialising in economic matters such as the Hadar orange monthly or the monthly Arab Economic Journal. There are scores of printing presses. A few of the larger presses have up-to-date machinery usually of the roller class (notably Beth Dfus Leumi, Ltd., which prints the Palestine Post and the Doar Hayom). English, Arabic and Hebrew type is used, mostly imported since the local type foundries are very small. There are several publishing and book-binding concerns (notably Omanuth, Ltd., of Tel Aviv); others lithographing posters, advertisements, etc.

Chemicals, pharmaceuticals, etc.—There are a number of small firms making chemical and pharmaceutical products. The largest is probably "Teva", Ltd., in Jerusalem. Oxygen is manufactured by the Palestine Oxygen Co. of Haifa. Paints, polishes and varnishes are produced locally.

The most important recent development in this sphere is the formation of Palestine Chemical Industries, Ltd., with authorised capital £P.100,000, a syndicate for development of chemical industries.

Iraq Petroleum Company.—The Iraq Petroleum Co. is an international group, including British, Dutch, French and American interests, with a concession from the Iraqi Government to exploit oil-fields East of the Tigris in Northern Iraq. Their main field is near Kirkuk. Under their convention of 1931 with the Iraqi Government they were bound to complete before the 31st December, 1935, a pipe-line system to the Mediterranean of a combined

capacity of not less than 3,000,000 tons per annum, one pipe-line to reach the sea through Palestine and a second through Syria. The former must carry at least half the capacity of the whole system until the through put capacity at that terminal shall reach a total of at least 4,000,000 tons per annum.

A convention was concluded in 1931 with the Palestine Government permitting the Company to construct, maintain, and operate in Palestine pipe-lines, refineries and works ancillary thereto.

In the event, oil passed through the Northern line first reached Tripoli on the 14th July, 1934, and through the Southern line first reached Haifa on the 14th October, 1934, considerably more than a year before the end of the time limit for completion of the system. On the 2nd August, 1934, the first tanker began to load at the Tripoli sea lines: on the 25th October, 1934, at those in Haifa Bay. The pipe-line in Palestine was officially opened by the High Commissioner for Palestine on the 22nd January, 1935, The Right Honourable the Earl of Stanhope attending the ceremony on behalf of His Majesty's Government.

The Haifa terminal is 621 miles from Kirkuk, and the total length of electrically welded main steel piping in the system some 1,200 miles. For most of its length the line crosses difficult desert terrain. There are twelve main pumping stations, of which nine are in the desert. The cost of this great engineering achievement was approximately £10,000,000, and it was completed in under three years.

At the time of writing, the Iraq Petroleum Company have no refinery, and do not distribute petroleum products, in Palestine. The length of the line actually in Palestine from the terminal site in Haifa Bay to the relief pumping station in the Jordan valley is only 40 miles; but the offices of the general management are at Haifa, and the terminal site tank farms, pumping station, sea lines, main aerodrome and wireless station. The total overseas tonnage of materials for construction was 207,500 tons of which 57,000 tons were landed at Haifa. An oil dock is being built in Haifa Harbour largely to meet the Company's export requirements. At one period during construction the directly employed labour of the Company in Palestine amounted to over 1,500. The training given to local artisans is of great value to the country. Their operations have, indeed, brought, and continue to bring, considerable economic benefits to Palestine, especially by their importation of capital and employment of labour. It is noteworthy that the pipe-line was laid at a time of agricultural depression and unemployment, which the Company helped to relieve, especially in Trans Jordan where at one period their directly employed labour amounted to over 4,250. Over 200 miles of the Southern line lie in Trans Jordan and two of the main pumping stations. The results of the water survey and drilling tests made by the Company for the supply of their desert pumping stations indicate great possibilities for desert irrigation by this means.

The Company's telegraph and telephone system which follows the entire length of the pipe line has made possible the establishment of a direct public telephone service between Iraq and Palestine.

Since shipments of crude oil began up to the time of writing they have been regularly maintained at something approaching the capacity of "through-put."

VI.—FUEL AND POWER

Fuel.—Practically all fuel used in Palestine is imported. Statistics of imports of petrol, kerosene, fuel oils and coal will be found in Chapter III.

Coal is little used for power units. Efficient distribution of fuel oils for internal combustion engines is given to all centres either by rail in tank waggons or by lorry in drums and tins. The Shell Company of Palestine, the Socony Vacuum Corporation of New York, the Société Napthe S.A. (Toneline) of Geneva and the Belpetrole S.A. of Brussels are the suppliers of petrol, kerosene and fuel oils. Their main storage depôts are at Haifa. There is also a sea-line for off-loading from tankers at Haifa, operated by the Shell Company and used by others.

Ruling retail prices are :—

Petrol, 92·5 mils per gallon in bulk (flat rate).

Kerosene, 140 mils per four gallons in bulk (flat rate).

Fuel Oil, £P.2.900 per ton ex installation, Haifa; £P.3.500* otherwise.

Diesel Oil, £P.4.500 per ton ex installation, Haifa; £P.4.750* per ton ex installation otherwise.

Solar or gas oil, £P.5.000 per ton ex installation, Haifa; £P.5.250* per ton otherwise.

(* varying with cost of transport.)

While, however, there is still a good market for oil engines, especially from the U.K., electricity is rapidly gaining ground as the principal source of power with the extension of the grid system and the reduction in power rates. The demand for internal combustion engines now depends chiefly on districts not yet served by the electric grid, and on persons who prefer to use or to generate their own power, or to have their own stand-by unit additional to the grid.

Electric power.—A high tension grid operated by the Palestine Electric Corporation connects the main centres of demand outside the concession area of the Jerusalem Electric & Public Service Corporation, Ltd.

Jerusalem Electric and Public Service Corporation.—A concession granted by the Jerusalem Municipality in 1914 for electric supply in Jerusalem is now operated by the Jerusalem Electric and Public Service Corporation, Ltd. The Company's concession area extends to a radius of twenty kilometres from the Dome of the Church of the Holy Sepulchre at Jerusalem, including the townships of Bethlehem and Ramallah. The main power station was recently enlarged and now has a total capacity of 2,100 kwt. A further 500 kwt. is being added in 1935. There are two transmission lines, one overhead and one underground, at a pressure of 6,600 volts leading to the three sub-stations. On the 31st March, 1933, approximately 5,000 consumers were connected, 1934, 6,172 and 1935, over 8,000. Further extension to the generating plant and transmission system are in hand. The authorised capital of the Company is £P.500,000.

The Palestine Electric Corporation, Ltd.—This company was incorporated in Palestine in 1933, and holds two concessions validated in 1927, one over the waters of the Auja river and one over the waters of the Jordan river for the generation of electrical energy. The Jordan concession includes the right to produce electrical energy by means other than water power, and exclusive rights for the supply and distribution of electrical energy throughout Palestine and Trans-Jordan with certain exceptions of which the most important is Jerusalem.

The Company's hydro-electric power house on the River Jordan at Jisr Majami to the south of Lake Tiberias was brought into commission in June, 1932. It has an installed capacity of 25,500 h.p., capable of increase, and the Company operates, in addition, three oil-fuel power houses at Tel Aviv, Haifa, Tiberias, with a total installed capacity of 7,425 h.p.

Construction of a steam turbine power house with a capacity of about 25,500 h.p. to replace the existing installation at Haifa is complete at the time of writing. The total power installed by the Company is about 58,000 h.p. Further expansion is projected.

The distribution system of the Company consists of 723 kilometers of overhead high tension 66,000, 22,000 and 6,300 volt lines; 64 kilometres of underground high tension 22,000 and 6,300 volt cables; and 606 kilometres of low tension overhead lines. These are operated through 450 consumers' transformer stations of a total capacity of 33,960 KVA. Distribution in rural and agricultural districts is continually being extended.

Consumption statistics given by the Company are as follows :—

<i>Year.</i>	<i>Units sold in Thous. KWH.</i>						<i>Number of con- sumers connected at 31st December.</i>
1928	2,974 8,582
1932	11,590 15,113
1933	20,137 21,934
1934	34,385 35,397

The authorised capital of the company is £2,500,000, increased in January, 1935, from £1,000,000. In February, 1935, the company issued in London 600,000 $4\frac{1}{2}$ per cent. £1 preference shares and 600,000 ordinary shares of 25s. each. The issue was very heavily over-subscribed. Income in 1934 was over £350,000.

The company obtains the greater part of its requirements from the U.K.

VII—TRANSPORT AND COMMUNICATIONS

Shipping.

Ports.—Haifa and Jaffa are the main ports of Palestine, each in charge of a British Port Manager under the Palestine Government.

Haifa.—A modern harbour was completed at Haifa in October, 1933, at a cost of about £1 $\frac{1}{4}$ million. It is formed by a main breakwater 7,250 feet in length running eastward from the shore and a lee breakwater 2,510 feet in length running northwards from the shore. The present water area in the harbour is 278.6 acres, about 90 acres dredged to 37 feet, about 65 acres to 30 feet and about 25 acres in the oil dock area to 33 feet (see below). The minimum depth from harbour entrance to the main wharf is 30 feet and to the main breakwater from 30 to 36 feet. The main wharf, dredged to 31 feet, is 1,312 feet long; the intermediate wharf 361 feet; and the lighter wharf 574 feet.

At the main wharf there are berths for three large or four small cargo vessels working direct with quay. About twenty vessels can be berthed stern-on at the main breakwater, working from or into lighters.

There are three large and one small Customs transit sheds and also bonded warehouses in the harbour area. About 15 acres are available for open stacking of goods.

Railway trucks run into the main wharf and it is possible to work direct between ship and truck.

Cranage available consist of one 15-ton and two 5-ton quay cranes, a 15-ton floating crane and a 25-ton railway crane.

Haifa Harbour Works.—The oil dock at Haifa is approaching completion and when completed it will be capable of accommodating four oil tankers, two of about 10,000 tons and two of about 18,000 tons capacity.

Experiments are being made with mechanical loading appliances. Offices and restaurants are to be built.

A sum of £P.10,000 has been sanctioned for a harbour development survey. The lay-out of the harbour permits an extension of the main wharf which would provide sites for five extra transit sheds and additional berths for five large, or eight small, cargo vessels.

Jaffa.—There is no harbour for ocean steamers at Jaffa which anchor in the open roadstead immediately west of a reef of low-lying rocks about a mile from the shore. The anchorage is uncomfortable in westerly winds. Cargo is loaded and discharged by means of lighters passing through a passage in the reef into the port, which is enclosed by a line of rocks and suitable only for craft with a maximum draught of five feet. The existing lighter wharf is about 500 feet in length. There are two large customs transit sheds and also bonded warehouses in the port area. There are no railway facilities at the port. Cranage consists of a three-ton and a seven-ton crane for work between lighter and quay.

Jaffa Port Works.—At Jaffa, very considerable improvements in the approaches and space available have been effected in the past twelve months, and a large lighter basin, extended wharves, offices, storage sheds, and reclaimed dump areas, are in course of construction. The new lighter basin will be dredged to two metres and will eventually provide about four times the existing length of lighter quay. Storage space will be more than doubled.

All constructional work in Haifa and Jaffa ports is carried out by the Government itself.

Cargo Tonnage handled.—The following are statistics of cargo handled at Haifa and Jaffa in recent years :—

Year.	Jaffa.		Haifa.	
	Discharged Tons.	Loaded Tons.	Discharged Tons.	Loaded Tons.
1932	221,113	106,824	273,411	54,164
1933	348,797	96,888	401,410	71,632
1934	486,974	120,967	589,203	99,756

* Exclusive of crude oil.

Total cargo handled inward and outward in 1934 : Jaffa, 607,941 tons ; Haifa, 688,959 tons.

Citrus fruit, the main export cargo, is shipped in the months November to April, and the main import season also normally falls in these months. The greater part of the citrus export is shipped from Jaffa, and during the busy season the capacity of the port does not at times permit of all vessels in the roadstead loading or discharging cargo at once. Further, owing to absence of protection, work between ship and shore at Jaffa may be stopped for several consecutive days in the winter when weather conditions are bad. Congestion or bad weather at Jaffa often results in cargo consigned to Jaffa being overcarried to Haifa.

Shipping Services.—Statistics of shipping calling at Haifa and Jaffa will be found in Appendix H. Passenger or freight services are provided by some 50 different lines under various flags.

In regard to passengers the extent of the traffic is indicated by the following schedule of arrivals and departures in 1934. This does not include the good tourist season in the Spring of 1935.

NUMBER OF PASSENGERS ARRIVING TO AND DEPARTING FROM PALESTINE DURING THE YEAR 1934 BY CONTROLS.

Control.	Arrivals.			
	Immigrants.	Residents.	Travellers.	Total.
Jaffa	16,994	4,767	11,618	33,379
Haifa	19,963	3,948	16,733	40,644
Kantara	967	7,688	22,502	31,157
Other Controls ...	1,351	29,178	40,970	71,499
Total Arrivals ...	39,275	45,581	91,823	176,679

Control.	Departures.		
	Residents.	Travellers.	Total.
Jaffa	1,473	3,111	4,584
Haifa	7,353	19,589	26,942
Kantara	8,017	21,484	29,501
Other Controls ...	29,801	38,046	67,847
Total Departures	46,644	82,230	128,874

To illustrate that the passenger traffic is increasing the available statistics for 1935 are also given as follows:—

[Number of Passengers arriving to and departing from Palestine during the First Four Months, 1935, by Controls.]

Control.	Arrivals.			
	Immigrants.	Residents.	Travellers.	Total.
Jaffa	4,564	855	3,898	9,317
Haifa	14,770	1,421	16,199	32,390
Kantara	293	4,569	6,928	11,790
Other Controls ...	910	8,837	17,287	27,034
Total Arrivals ...	20,537	15,682	44,312	80,531

Control.	Departures.		
	Residents.	Travellers.	Total.
Jaffa	132	735	867
Haifa	2,216	10,542	12,758
Kantara	4,583	8,071	12,654
Other Controls ...	9,382	15,378	24,760
Total Departures	16,313	34,726	51,059

The tourist traffic is discussed at page 72.

The foremost passenger line is now the Lloyd Triestino. At the height of the 1934-35 tourist season there were six Lloyd Triestino sailings weekly to Haifa and on one particular day four of their vessels at Haifa together. The Italian "Cit" tourist agency has a branch in Palestine.

It may be mentioned that there is much local comment on the fact that no U.K. steamship company at present operates a regular passenger service to Haifa. U.K. freight services do, however, provide some passenger accommodation.

In regard to freight, the "British Conference Lines" (Prince, Moss-Hutchison, Ellerman, etc.) maintain regular services. They co-operate in the citrus trade with other companies as "The Associated Steamship Lines". There is severe competition in this trade, and citrus freight rates are extremely low.

Recently direct sailings with cold storage accommodation have been established by Scandinavian lines between Haifa and the Baltic. The bulk of the cold storage supplies to Palestine are forwarded by rail from cold storage depot in Port Said.

A direct sailing from Japan to Palestine has been introduced by the East Asiatic Co. of Copenhagen.

Palestine has now her own mercantile marine in that three local companies are running vessels under the Palestine flag (one each at the time of writing). The vessels are of about 300, 1,500 and 3,700

tons register. The companies are the "Atid" Shipping Co., with a cargo service on the Levant Coast; the Palestine Maritime Lloyd with a passenger and cargo service between Haifa, Salonica and Constanza; and the Palestine Shipping Co. with a fortnightly passenger service between Haifa and Trieste.

Apart from the transport of the products of Palestine Potash, Ltd., from the South to the North of the Dead Sea, the importance of navigable waters within Palestine is negligible.

Air Routes.—The main international aerodrome of Palestine is at present at Gaza, used by Imperial Airways and the Royal Dutch air line in their Far Eastern services. For Palestine's own requirements, however, Gaza is out of the way and inconvenient. At Ramleh and other landing grounds in Palestine, facilities are dependent upon the good offices of the Air Ministry. A Director of Aviation was recently appointed by the Palestine Government; and construction is under consideration of up-to-date aerodromes at Lydda, and, later, at Haifa. At present temporary landing-grounds exist at these places. They are used by the Misr Airwork, an association of Egyptian interests with a U.K. firm, for their daily air services between Haifa and Cairo. A new air transport company, Palestine Airways, Ltd., was recently formed in London with an authorised capital of £25,000 for purposes of providing air services in Palestine, and between Palestine and neighbouring countries.

Railways.—The Palestine Railways Administration operates the following main line system.

Sinai Railway.

Standard gauge (4' 8½")	...	Kantara (Suez Canal) to Rafa (Palestine Frontier) (a).
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Palestine Railway.

Standard gauge	...	Rafa to Lydda Junction (a).
		Lydda Junction to Haifa (a).
		Lydda Junction to Jerusalem (b).
		Lydda Junction to Jaffa (b).

Hijaz Railway (c).

Standard gauge (105 cm.)	...	<i>In Palestine.</i>
		Haifa to Samakh (Lake Tiberias).
		Haifa to Acre.
		Nablus to Tulkarm (Lydda- Haifa line).

In Trans-Jordan.

Nassib	(Syrian-Trans-Jor- dan frontier) to Maan.
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The Kantara-Haifa line (a) was constructed by the British Army during the War.

The Jaffa-Jerusalem line (b) was originally constructed by a French company before the War, and was converted to standard gauge by the British Army during the War.

The system known as the Hijaz Railway (c) was built by the Ottoman authorities mainly to carry pilgrim traffic to Medina and Mecca. The connecting link between Samakh in Palestine and Nassib on the Syrian-Trans-Jordan frontier is now operated by the Syrian authorities. Services are no longer run south of Maan. There is also a line running from Affulah on the Haifa-Samakh section to Al Massudiyah on the Nablus-Tulkarm section but this has carried no traffic since 1932.

A short line between Ras-al-Ain (on the Lydda-Haifa section) and Petach Tisvah was constructed by the Palestine Government, part of the cost being met by the settlers of the district. It is not considered part of the main line system.

The total main line system open to traffic is now 983 kilometres (516 standard and 467 105 cm. gauge). The two gauges meet at Tulkarm and Haifa.

The following are some statistics for the whole system relating to the past two financial years :—

	1933-1934.	1934-1935.
Passengers carried	1,609,878	2,453,665
Freight handled (including stone for Haifa Harbour Constructions)...	865,922	1,022,288
Freight handled (ordinary merchandise)	798,500	1,008,980
Train kilometrage	1,609,142	1,773,574

Passenger traffic receipts showed an increase in 1934-35 of £P.44,639 over 1933-34; and goods traffic receipts an increase of £P.88,415.

Ruling fares for passenger traffic are :—

1st Class—9 mils per kilo. single and 11·25 mils return.	
2nd „ 6 „ „ „ 7·5 „	
3rd „ 3 „ „ „ 3·75 „	

On certain sections the basis of single fares is respectively 6 mils, 4 mils and 2 mils per kilo.

Goods are classified in seven classes. At a distance of 100 kilometres the schedule rates for goods in the three lowest classes, comprising many of the staple commodities, are respectively 315 mils per ton, 394 mils per ton, 535 mils per ton, excluding loading, unloading and transhipment. These apply to traffic in full truck loads.

Specially low rates are available for citrus fruit and certain other goods; and, in exceptional circumstances, reduced rates for goods consigned by sea to Jaffa and over-carried to Haifa.

A large and well-equipped railway workshop is maintained in the Haifa Bay industrial area.

Locomotives are coal-burning throughout, but the possibility of using oil fuel has not been lost sight of. No section of the system is electrified.

Railway constructional works under consideration include a new passenger station at Haifa, extensions to the goods-yard at Jerusalem, and additional citrus storage space at stations in the citrus area.

The deficit on the working of the whole system operated by the Palestine Railways Administration was £P.59,259 in 1933-34 and £P.91,356 in 1934-35.

The system suffers severely from road competition.

Roads.—Road mileage in Palestine on the 31st December, 1934, was approximately as follows :—

	<i>Miles.</i>
Main roads open to traffic in all weathers	650
Urban roads and streets say	250
Made seasonal roads open to traffic for nine months of the year	1,000
	<hr/> 1,900

The mileage of main roads open to traffic in all weathers has doubled in the past ten years, and the standard of road construction is high. In the towns many of the streets are too narrow for the traffic they carry, but in this town planning schemes are beginning to show substantial improvements. Expenditure on roads in 1934 may be estimated as follows :—

	£
Public Works Dept. (outside urban districts)	
Roads and Bridges	104,000
Construction and improvements	83,000
Municipalities (estimated)	40,000
Private interests (estimated)	23,000
	<hr/> £250,000

In 1935, the expenditure is likely to increase. It is the Government's policy to improve communications progressively, and they are accustomed to alleviate rural unemployment by means of road works. A much-needed all-weather road between Jaffa and Haifa is under consideration. In Trans-Jordan reconstruction of the Jerusalem-Amman road, and construction of sections of the direct trans-desert route between Haifa and Bagdad are in progress.

This route is of great potential importance since, apart from local traffic between Palestine and Iraq, there is the possibility of considerable development of transit traffic through Haifa to and from Iraq and Iran, both passenger and freight. The Palestine Government have exempted from customs import duty vehicles, tyres and tubes, and petrol, to be used by approved services on the route; have relaxed for such services their regulations as to the maximum weight of vehicles permitted; have much reduced port dues and extended the free customs storage period for goods in transit by such services.

So far as passenger transport is concerned the results to date have been disappointing. An attempt to introduce a bus service in the summer of 1934 was not successful, and, until the improvements to the road are complete, it is doubtful whether a first-class passenger service is practicable even in the summer.

As regards freight, however, use of the direct Bagdad-Haifa route has been more successful, although the section between Irbid and Mafrak was virtually closed by the heavy rains of last winter. This is indicated by the customs statistics, which give only values, but show goods in transit Palestine to Iraq and Iran to the value of £P.41,000 in 1934 (compared with only £P.8,000 in 1933) and from Iraq to the value of £P.6,000 (compared with £P.2,000). Development of eastbound transit traffic to Iraq and Iran has been still more rapid in 1935, goods transported during the first quarter alone reaching a value of £P.47,500. The value of the westbound transit goods was, however, only £P.1,000 in the same period. The westbound traffic by the new route is chiefly local and not transit in view of the good market in Palestine for fish, chickens, eggs and other produce of Iraq.

The statistics of transit trade through Syria with Iraq and Iran are of interest in this connection. The total value of eastbound goods by the Syrian routes rose in value during 1934 as compared with 1933, but that of westbound goods fell sharply. It appears that facilities at Iranian ports are improving and that the Iranian Government is making still more determined efforts to compel exporters from Iran to use them.

The possibility of opening up to regular traffic the motor route across the Sinai desert to Egypt is also under consideration.

Traffic with Syria, both passenger and freight, is mainly by road since the railway route via Dera'a is slow and roundabout. There are plentiful taxi, bus and lorry services.

Internally, Palestine is well served by bus services which run under official supervision between all the main towns and villages. The bus companies are operated mainly on co-operative lines. Fares are low.

Taxis (private car models used for hire) are also available for transport to any part of the country. The number of taxi licences issued is strictly limited by the authorities.

Statistics of imports and registrations of motor vehicles showing the great increase in motor traffic during 1934, and the position of U.K. vehicles, are given at pages 17-18.

Road and Rail co-ordination.—A Government committee is considering the co-ordination of road and rail transportation. There are standing advisory boards for the official road programme and for railway matters.

Posts, Telegraphs and Telephones.—In 1934 there was a record expansion of the business of the Post Office, revenue amounting to £P.333,512 and expenditure to £P.206,082 with a surplus £P.127,430. This does not include works, renewals, or debt charges. The quantity of air mail dealt with increased by 139 per cent. compared with 1933. International and internal telephone circuits were improved. The Haifa-Bagdad circuit will shortly be opened to the public. The overseas radio telephone service has been extended.

The demand for telephone services proved in 1934 much in excess of that for which budgetary provision had been allowed, and while urgent steps are being taken to increase the capacity of exchanges, applicants for telephones in the four large towns still have to wait several months for installation. In 1934, 1,488 additional telephones were installed, but there were 1,053 outstanding applications at the end of the year. An automatic telephone exchange will be installed in Jerusalem in 1936, and another for Tel Aviv is on order.

The Government expects to establish a local broadcasting station in December, 1935. There will be special rural broadcasts and the Government proposes to instal communal receiving sets in villages.

The demand for cheap radio receiving sets is likely to expand. At the time of writing it is understood that the number of private receiving licences current is about 8,000.

Tourist Traffic.—The following statistics indicate that the tourist traffic has recovered from the depression period. They do not include persons registered on entry or departure as “immigrants” or “residents”, but they do include various travellers such as commercial visitors, or pilgrims, who are not strictly speaking “tourists”.

						<i>Travellers entering.</i>	<i>Travellers leaving.</i>
1931	...	...	...	...	...	54,764	52,790
1932	...	...	...	...	...	63,253	53,873
1933	...	...	...	...	...	79,833	66,804
1934	...	...	...	...	...	91,823	82,230

The 1934 totals are, indeed, the greatest for the past nine years. Moreover, they are prior to the good tourist season in the Spring of 1935 when at least twenty-five “cruising” steamers visited

Haifa, including giant liners such as the *Empress of Britain*, the *Aquitania* or the *Rex*. Nor do they include visitors to the Maccabiah (Jewish Olympiad) in the Spring of 1935. In the first four months of 1935, 44,312 temporary visitors and transit travellers entered Palestine. The growth of "cruise" and cheap tour traffic is an important factor. It is difficult to estimate the value to Palestine of 100,000 such travellers. Presumably they spend no less than £P.750,000 in the country, and possibly a good deal more.

VIII.—PUBLIC AND OTHER DEVELOPMENT WORKS

Government and Municipal Works.—References have already been made to Government works in connection with Haifa and Jaffa ports and Palestine Railways. The following are others of the most important official works in hand, either Government or Municipal. Some of them are being financed by Government or Municipal loans.

Water shortage in Jerusalem has long presented a serious problem especially in seasons of drought, and a comprehensive water supply scheme has been undertaken by the Government. A pipe-line is being constructed, with four pumping stations, from Ras-el-Ain, a source of the River Auja, near Jaffa. The length of the main 18 inch pipe is nearly 40 miles, and it rises over 2,500 feet. The estimated cost of the scheme is about £P.370,000. The pipe line should be completed during the Winter of 1935-36.

A new drainage system is under construction at Jerusalem with the aid of a Government advance of £P150,000 and the main collecting sewer for the west of Jerusalem has been completed.

Construction of a new post office at Jerusalem is proceeding.

An up-to-date Government printing press is being installed at Jerusalem, and should be completed in October, 1935.

Various municipal improvements in Jerusalem are under consideration.

At Haifa, the Government is surveying a main water supply scheme, and survey of a main drainage system has been completed.

The area between Haifa Harbour and the town, reclaimed in the course of harbour construction is being developed by Government who are providing roads, sewerage and water supply. Sites for shops, offices, warehouses, and a bank have been leased and buildings are rapidly being constructed by the tenants. The site for the new railway station is also in this area.

Municipal works contemplated at Haifa include a new slaughter-house (for which a loan of £P.28,000 has been negotiated), a vegetable market, and new municipal buildings.

A main sewer to serve part of Jaffa and Tel Aviv is under construction and other improvements to the drainage system.

The £P.1,000,000 loan for Tel Aviv municipality is likely to be allocated to school buildings, drainage schemes, extended water supply, and civic improvements generally.

At Jaffa the principal municipal works in hand are the drainage scheme and water supply extension.

As regards water supply schemes elsewhere, that at Nablus has been completed, and also that at Shefr Amr. Projects are under investigation for Tulkarm and Safad. A scheme for Beisan is in hand.

The Government is advancing £P.10,000 for the construction of a pumping station, pipe-line and reservoir for Hebron Water Supply. This work is in progress.

Other development works.—Of development works other than Government or Municipal the most important is perhaps the drainage of the marshes to the north of Lake Huleh (the Waters of Merom). The concession for this scheme, previously in Syrian hands, was transferred in 1934 to a Jewish group represented by the Palestine Land Development Co., a land purchasing agency which operates for the Jewish National Fund and others. The total cost of the transfer to the new concessionaires is in the neighbourhood of £P.200,000. A hydrographic contour survey is at present being made. The actual concession area is about 14,250 acres. Of this Lake Huleh itself at present covers 4,000 acres, likely to be reduced by the development scheme. Under the concession some 3,500 acres will be set aside for settlement of the present Arab cultivators. The concessionaires are expected eventually to obtain some 7,000 acres suitable for intensive cultivation, but this depends on the extent of reduction in the surface of the Lake. The cost of the necessary works will probably be in the neighbourhood of £P.600,000.

Intensive agricultural development schemes are also under consideration elsewhere.

IX. — SOCIAL QUESTIONS

Labour.

Legislation.—Details of the international labour conventions applied to Palestine will be found in the Annual Administration Report of the Palestine Government for 1933. Protective and regulatory labour legislation includes measures relating to workmen's compensation, industrial employment of women and children, the fencing of dangerous machinery and the inspection of steam boilers and prime movers, prevention of intimidation especially in labour disputes. Workmen's compensation is applied to selected trades and its scope is being gradually expanded. The Government have under consideration further legislation for regulating the relationship

between employers and their employees on the recommendation of a mixed committee of official and non-official members.

Wages and Hours of Work.—Owing to the diversity in races and in conditions of labour, no definite wage scale can be set out. It is certain, however, that wages in commerce and industry, and to some extent in agriculture, have progressively increased since 1933. In the building trade especially abnormal conditions prevail. Jewish wages in this trade, and in all industries connected with building and housing, such as furniture-making, have risen by 40 per cent. to 50 per cent. Skilled masons, for example, commonly earn 15s. to £1 a day. In other industries Jewish wages have risen by 10 per cent. to 30 per cent. The average rate for hired Jewish agricultural labour is now 4s. to 5s. a day.

Generally speaking, Jewish labour receives higher wages than Arab labour, but Arab wages have also increased in the building and some other trades. The difference between Arab and Jewish rates in unskilled labour may be 100 per cent. or more, but in skilled labour it is not nearly so great.

In May, 1935, the Government laid down conditions for workers in their technical services with a view to adjustment to the new market level. These conditions included increased pay for railway workers on daily and monthly rates; rental allowances; a 48-hour week; 25 per cent. extra overtime on weekdays and 50 per cent. on holiday; a week's annual leave with full pay for workers on daily rates and a fortnight for those on monthly rates; a fortnight's sick-leave on full pay; pensions for manual workers after specified periods of service; notice of dismissal for day labourers regularly employed.

It seems probable that these conditions will become a guide for other employers of labour.

Unemployment.—There are difficulties in the collection of unemployment statistics. Generally speaking there is at present little unemployment. Amongst the Jews in particular, the average total unemployment figure was given by the Jewish authorities as only 1,010 men and women in 1933 and virtually none in 1934.

The rapid development of urban and industrial areas has caused shortage of labour and temporary withdrawal of Jewish workers from agriculture. New immigrants tend to take up employment in the town where they can earn high wages hoping thus to save money and later take up agricultural employment. The following are approximate statistics:—

Jewish Employment.

	1933.	1934.	1935.
Urban workers	20,000	30,000	45,000
Agricultural smallholders ...	4,000	6,000	10,500
Agricultural labourers ...	7,000	4,500	5,500
Non-agricultural labourers in rural areas	5,000	10,000	6,500
	12,000	14,500	12,000

Arab unemployment was roughly estimated by Government at about 20,000 in 1933 and about 3,000 in 1934, but it is difficult to fix a basis of assessment, and there has been a change in definition. No estimate of employed Arabs can be given.

There is no statutory labour unemployment or health insurance; but accident insurance is now customary in industrial undertakings employing Jewish labour.

Labour Organisations—Jewish.—The most important Jewish labour organisation is the General Federation of Jewish Labour ("Histadruth"—"organisation") which was formed in 1920 as a trade union. Its membership was 67,650 at the end of 1934, 80 per cent. of the Jewish labour of Palestine, which to a large extent it controls. This control extends to immigrants' countries of origin where technical training is arranged. In Palestine, the Federation has set up a Central Employment Bureau known as the "Merkaz Avodah" ("centre of work") which is one of its principal instruments for organising the labour market, and which operates labour exchanges in all the main towns and Jewish agricultural and industrial centres. Prospective employers, with whom agreements are made as to the contractual terms for labour supplied, notify the exchanges of the labour they require. This information is forwarded to the Central Employment Bureau whose officials at the ports enrol immigrants on arrival and allot them to various exchanges as required. No worker can be inscribed in the books of an exchange without the authority of the Central Employment Bureau. The Central Employment Bureau decides to which district each worker is to go. The exchanges allot them to the employers. Subsequent changes of employment are controlled by the same means. Trade Union officials are attached to the exchanges, and grade each new applicant on arrival thus fixing his rate of pay. The system extends to both men and women employees. It applies to all members of the "Histadruth".

The "Histadruth" operates its own hospitals, dispensaries, and convalescent homes in all centres through a voluntary sick fund known as the "Kupat Holim" ("sick fund"), large buyers of medical requisites. It has also formed a workers' insurance company, the "Hasneh" ("burning bush").

Other and smaller Jewish labour bureaux are operated by organisations (such as the Mizrahi, or the Revisionist) outside or in agreement with the Histadruth.

Arab Organisation.—Arab Labour Associations have been established on a comparatively small scale, organised on trade union lines with subordinate unions for various trades. They do not at present operate employment bureaux, but treat with employers on behalf of their members. A movement for labour organisation is thus growing amongst the Arab community. In one or two recent instances of disputes with Government departments, or large companies, where their interests coincide, the Arab Association and the

Jewish Federation have co-operated; but, as a rule they work independently.

Arab-Jewish Organisations.—Joint labour unions or associations exist, notably those of employees of Government in the Railways and Post Office and “ the Petroleum Workers Union ” at Haifa.

Industrial Disputes.—In 1934, 49 labour disputes were reported to Government, including eight where there was no actual stoppage of work. This is the lowest figure for the past four years and none were of outstanding importance. In 1935, however, there have been more important disputes amongst Railway and Port hands and also a strike amongst employees of the Iraq Petroleum Company. These were settled by negotiation with the workers’ representatives.

- *General.*—Enough has been said to indicate that labour organisations in Palestine are growing more powerful; and that firms undertaking contracts, or other ventures, involving the employment of labour in Palestine should be careful to ascertain their obligations and liabilities in this connection.

Immigration.—The net annual increase in population due to recorded immigration during the past three years was as follows:—

1932	15,908
1933	41,891
1934	47,807
1935	29,492
(first four months.)	

The following are the totals actually registered as immigrants:—

	1933.	1934.	1935. (first 4 months.)
Total Immigrants	31,977	44,143	21,938
Jewish Immigrants	30,327	42,359	21,392
Total Immigrants registered as possessing £P.1,000 capital	3,267	5,193	2,050
Total Jewish Immigrants registered as possessing £P.1,000 capital	3,250	5,124	2,018

The proportion of “ capitalists ” amongst the Jewish immigrants thus rose from 11 per cent. in 1933 to 12 per cent. in 1934. On this basis, it may be deduced that immigrants brought some £500,000 monthly into Palestine during 1934: but the average sum brought in by a capitalist immigrant much exceeds £1,000, and on the basis of immigrants’ investments in building, industry, and agriculture during the year, it is estimated that the total capital imported by immigrants was more than £10,000,000.

Of the Jewish immigrants 43 per cent. came from Poland in 1933 and in 1934, 18 per cent. from Germany in 1933 and 16 per cent. in 1934, 4 per cent. from Greece in 1933 and in 1934.

Government is guided by the absorptive capacity of the country when deciding the number of immigrants to be admitted, especially in the artisan category, and recent rapid commercial and industrial development has increased the capacity of the country to absorb labour and capital.

Housing.—At the time of writing, the abnormal building activity is in no way declining. Rents remain high although restrictive measures have been applied by the Government to residential, and, in some districts, office rents. There is still shortage of accommodation especially in Haifa and Tel Aviv, not only for Jewish immigrants but also for Jews and Arabs attracted to the towns by high wages. There is considerable over-crowding, but cheap housing schemes, particularly workers' flats and settlements, are rapidly progressing. The part of the co-operatives in such development is discussed later in this chapter.

Land Values.—As a natural result of increased immigration and the demand for new areas for housing, agricultural, commercial and industrial development, there has been a large increase in land values in the districts affected. Up to £P.25.000 per sq. metre has been paid for office sites in the business centre of Haifa, £P.15.000 per sq. metre in the centre of Tel Aviv, and £P.10.000 in that of Jerusalem. The best residential sites on Mount Carmel in Haifa, in Jerusalem and in Tel Aviv change hands at about £P.1.000 per sq. metre. In the Haifa Bay industrial area land is worth on the average about £P.350.000 or £P.400.000 per dunam (quarter acre): but, in exceptional cases up to £P.700.000 per dunam has been paid. In June, 1935, up to £P.2.750 per metre was bid as annual rent for building sites in the reclaimed area at Haifa (see page 73). Citrus land near Jaffa-Tel Aviv sells at £P.60.000 to £P.65.000, but, if suitable for building development, may fetch up to £P.200.000 a dunam.

Land sales in 1933 amounted to some 37,500 acres valued at £P.5,266,092 and in 1934 to some 39,000 acres valued at £P.8,378,000. Of this in 1934 some 15,500 acres valued at £P.1,647,837 was purchased by Jews from non-Jews. Jewish purchases of land extended to Southern Palestine. Foreigners may hold land upon the same terms as Palestinians.

At the time of writing, there are said to be some signs of a slight fall in land values. This may, however, be due to the fact that the main season for immigration terminated with the coming of the hot weather. It seems to be generally acknowledged that existing land values are uneconomic; but a substantial fall is not anticipated in the near future.

Speculation is rife although responsible Jewish leaders are greatly opposed to it. The fundamental reason for the boom is the extension of urban areas, and the development demand already noted.

Further, wealthy immigrants are ready to pay high prices to hold land in Palestine, while the area of undeveloped land available is comparatively small.

Cost of Living.—The Department of Customs, Excise and Trade publish a monthly “cost of living” index number based on the prices of nineteen commodities, of which sixteen are articles of food and the remainder kerosene, charcoal, and soap. January, 1922, is taken as 100 and the annual average was 56·6 in 1932, 54·9 in 1933, and 55·1 in 1934. In 1934, good crops reduced the price of wheat and barley by 10 per cent. compared with 1933. It must, however, be noted that, in the towns at least, the cost of living has much increased in the past two years. This is largely a matter of supply and demand, but chiefly due to the rapid rise in rents, which is not taken into consideration in the published index figure.

Wholesale Prices.—The Department of Customs, Excise and Trade also publish a table of wholesale prices of staple articles of food. The principal increases in this table for 1934 as compared with 1933 were in bread, mutton, milk, butter, cheese, potatoes, peas, beans, lentils, almonds: the principal decreases in wheat, barley millet, figs, grapes, melons, coffee, olive oil and soap.

The Co-operative Movement.—In the life of the Jewish community co-operative institutions play a leading role. In particular, it appears to be one of the chief aims of the General Federation of Jewish Labour (or “Histadruth”) to place the whole economy of the workers on a co-operative basis. For this purpose the General Co-operative Association of Jewish Labour in Eretz-Israel (Palestine) (“Hevrath Ovdim”—“society of workers”) has been formed. Members of the “Histadruth” are automatically members of the “Hevrath Ovdim”, which centralises, to a large extent controls, and has a share in all co-operatives established under the auspices of the “Histadruth”, taking from 5 per cent. to 10 per cent. of the profits. The Workers’ Bank finances labour co-operatives, and in their early stages they are assisted from a special fund, the “Keren Hakoöperatzia” (“co-operative fund”). The following are amongst the most important of the two hundred co-operatives sub-ordinate to the “Histadruth” and “Hevrath Ovdim”. The “Hamashbir Hamerkazi” (“central provider”) is their wholesale buying organisation, and, in 1934, had a turnover of £P.200,000. It is in touch with the Manchester Wholesale Co-operative and other co-operatives abroad. “Yakhin” (“preparation”) is an agricultural co-operative which undertakes various agricultural works on a contract system. “Tnuva” (“produce”) markets agricultural produce from the workers’ settlements. In 1934, “Tnuva” had a turnover of nearly £P.300,000 in milk, poultry, eggs, fruit and vegetables, and butter. “Hyt” (initials of “Hamashbir”, “Yakhin”, and “Tnuva”) is an export organisation especially for citrus fruit.

" Nir " (" furrow ") is an agricultural co-operative for the settlement of workers on the land. There is a central contracting office of the labour movement, the " Solel Boneh " (" paver and builder "), and three contracting co-operatives (one in each main town) under the name " Misrad Kablani " (" contracting office "). They are leading contractors in Palestine and carry out important works. The " Misrad Kablani " constructed the Levant Fair buildings and have been allotted part of the Jerusalem water supply construction. " Shikun " (" housing ") obtains loans and sites, and provides a central organisation, for " Histadruth " housing co-operatives (see below). The transport industry represents an important sub-group on the " Histadruth " organisation, including co-operatives operating bus and taxi services such as the " Egged " (" association "), " Hamkasher " (" link "), " Hamaavir " (" transport of passengers "), " Hovala " (" transport of goods "), " Darom Yehuda " (" South Judea ") connecting all Southern Judean settlements with Tel Aviv, " Hasharon ", connecting all the Sharon settlements with Tel Aviv, " Ichud-Regev " (" union ") connecting settlements near Tel Aviv with Tel Aviv and sub-contractors for the Palestine Railways bus service. There are co-operative credit and thrift societies under the " Histadruth " known as the " Loan and Savings Funds of the Workers " in every town and settlement. The expanding " Workers' Kitchens " co-operatives are also under Histadruth supervision. A fortnightly paper " Hameshek-Hashitufi " (" the co-operative bulletin ") is issued by the labour co-operative organisation with a circulation of 16,000. Four " Audit Unions " (Agricultural; Consumers; Credit; and Trade) are responsible for the accounts of labour co-operatives, and generally supervise their administration.

The societies sub-ordinate to the " Histadruth " are discussed fully above because of their collective importance; but there are a number of other notable Jewish co-operatives, chiefly marketing and export organisations, such as the wine-growers co-operative of Rischon-le-Zion, " Pardess " (" large shippers of citrus ") or the almond marketing co-operative (" Hashaked ").

The " Merkaz Hako-operatzia " is the Audit Union for the larger urban and rural credit societies. It has a membership of thirty-two societies with a total share capital of some £P.200,000.

In view of the abnormal rise in rents, most of the new societies established in 1934 by the Jewish community were housing societies. Thirty-four such societies were registered mainly by working-men. The dwellings they provide are built on the most modern lines; several at Tel Aviv contain over thirty flats each and maintain their own schools, recreation grounds, laundries and shops. This particular development is largely sponsored by the Histadruth through " Shikun ".

Irrigation societies are rapidly increasing in numbers indicating more intensive forms of cultivation especially in Jewish settlements.

In general, the co-operative system is widely applied to Jewish activities in Palestine.

The part played by the Central Bank of Co-operative Institutions is noted at page 6.

The co-operative movement is also developing in the Arab community. In accordance with expert recommendations published in 1930 the Government have taken steps to promote co-operative credit societies in Arab villages. By the end of 1934 credit and thrift societies had thus been established in 32 Arab villages with a total membership of 911 and subscribed capital of £P.3,658. Barclays Bank supply such societies with additional funds in the form of short-term loans: and loans so obtained in 1934 amounted to £P.13,736, used for cultivation purposes or to pay off old debts contracted at exorbitant rates. The Government have set aside for short and medium term loans available funds of the old Ottoman Agricultural Bank.

There are about a dozen Arab transport societies; and Arab societies for general agricultural and various purposes.

At the end of 1934 there were in all 598 registered co-operative societies functioning in Palestine, 521 Jewish, 50 Arab, 5 German, 1 Armenian, and 1 mixed.

X.—LEGISLATION

The Commercial Code.—Ottoman Law, including the Ottoman Commercial Code which is derived from the "Droit Commercial Francais", is the basis of the law of Palestine, except in so far as it is modified by legislative act of the Palestine Government. Reforms are continually being introduced, especially in the Commercial Code, where they follow mainly the principles of English law, e.g., the Companies, Partnerships, Bills of Exchange, Merchandise Marks, Patents, Trade Marks and Designs Ordinances. Such measures usually take the form of ordinances promulgated by the High Commissioner, of which the number is large. They are published in the Palestine Gazette, and in annual volumes, obtainable from the Printing and Stationery Department in Jerusalem. A compilation has recently been published. With certain qualifications, English Common Law is applied in a case for which the laws of Palestine do not provide.

Jurisdiction.—All commercial actions are brought in the civil courts. The Magistrates' Courts are competent where the amount in dispute does not exceed £P.150, or £P.250 if the case is tried by a British magistrate. Cases in which the subject matter is of greater value are brought in the District Courts. If the claim is between £P.250 and £P.500, two Palestinian judges are competent: if above £P.500, a British judge presides. In commercial cases the President of a District Court may at the request of the parties sit alone, and, when so sitting, constitutes a District Court.

He is assisted in such cases by two assessors. Appeal against a decision of a Magistrate's Court lies in the District Court and against that of a District Court in the Supreme Court, Jerusalem. Only advocates called to the Palestine bar are permitted to plead in the courts. Lists of advocates suitable to take up cases of firms abroad are available in the Department of Overseas Trade.

Execution of Judgments.—There is an Execution Officer in each court, one of whose duties is the collection of judgment debts. The magistrates are the Chief Execution Officers of their courts. The President is the Chief Execution Officer of each District Court. He is authorised to appoint assistants to help him. If a debtor fails to pay the amount due the judgment creditor may either apply for the attachment and sale of his property or for his imprisonment. The Ottoman Execution Law is still mainly in force; but a judgment debtor who fails to pay his debt can no longer be imprisoned for 91 days, and, in accordance with the Imprisonment for Debt Ordinance, 1931, can only be imprisoned for 21 days.

Bankruptcy.—The bankruptcy chapters of the Ottoman Commercial Code are in force. In 1930 a draft ordinance for bankruptcy, modelled on the English Bankruptcy Act, 1914, was published but has not yet been enacted. Under Ottoman Law only traders can be declared bankrupt. A trader may be declared bankrupt either at his request or at the request of a creditor or creditors. The court appoints a "Syndic" (liquidator), usually an advocate, who examines assets and liabilities and recommends a basis of settlement. The court appoints also a judge or a magistrate to act as "Juge Commissaire" (referee) and a clerk. The fees involved are high. Voluntary liquidation, under definite rules and with the appointment of syndics, is permissible in certain circumstances without reference to court. The official receiver in bankruptcy is the Registrar of Companies.

Arbitration.—The Arbitration Ordinance, 1926, as amended, is mainly based on English law. Parties may submit disputes to arbitration, but, if they apply to the court, the court may refer the case to arbitration.

As a general rule, it is advisable to attempt settlement out of court.

Registration of Companies.—Companies and partnerships incorporated in Palestine must register with the Registrar of Companies, and co-operative societies with the Registrar of Co-operative Societies, particulars which are published in the Palestine Gazette. Foreign companies establishing a place of business in Palestine must register as such.

875 companies were registered in Palestine at the end of 1934. 227 new companies were registered in 1934, 213 Palestinian and 14 foreign, with a total authorised capital of £P.2,180,000 compared

with 89, capital £P.540,000, in 1933. In 1934, 35 companies increased their capital from £P.1,737,000 to £P.4,141,000, compared with 15 in 1933, increasing from £P.87,000 to £P.180,000.

Registration of Business Names.—A new ordinance, the Registration of Business Names Ordinance, recently enforced, provides that every firm or individual, having a place of business in Palestine and carrying on business under a business name which does not consist of the names of all the partners or individuals, must register the real names and nationalities of the persons carrying on the business. The Registrar for the purpose is the Director of Customs, Excise and Trade.

The ordinance does not apply to incorporated bodies as such.

Registration of Trade Marks, Patents and Designs.—The Director of Customs, Excise and Trade is the Registrar of Trade Marks, Patents and Designs. Registration is best carried out through a local patent and trade mark agent and a list of such agents is available at the Department of Overseas Trade. It should be noted that goods must not be marked in such a way as to give the impression that a trade mark or patent has been obtained in Palestine where this is not the case: in particular the word "registered" should not be used alone in the absence of registration in Palestine.

In 1934, there were 483 applications for trade mark registration (137 local and 346 foreign), the total number registered at the end of the year being 3,195. There was a considerable increase in applications indicating greater interest in Palestine on the part of producers abroad. The applications were chiefly in respect of food products and tobacco. 198 applications were made in 1934 for the registration of patents, about half local and half foreign, and 56 for the registration of designs.

Weights and Measures.—The Weights and Measures Ordinance, 1928, contemplates the eventual introduction of the metric system, but steps have not yet been made to enforce it on traders although the metric system is used by Government offices and departments and by Municipalities.

Income Tax.—There is no income tax in Palestine.

Customs Tariff.—The basic rate of import duty is 12 per cent. ad valorem, but this is only applied to articles which are neither cited in the tariff schedule, nor exempted, nor prohibited. The tariff schedule tabulates over three hundred items, dutiable at various rates, some ad valorem, and others at a specific sum per weight or unit. The number of the latter tends to increase: the duty on motor vehicles, for instance, was recently changed from an ad valorem to a weight basis. Local agriculture and industry is being given a measure of tariff protection. Thus the duties on barley, potatoes, silk tissues, fancy leather goods, cigars, "zip" fasteners, pickled olives, cauliflowers and cucumbers, and tomato

products have recently been raised. At the same time, low tariff rates are applied to articles required for agricultural or industrial purposes, many of which are entirely exempt. Exemptions include agricultural and industrial machinery, agricultural implements, irrigation pipes, various materials and other requisites of local industries, medical apparatus and drugs.

In connection with the new local brewery, the Government has abolished import duties on malt and hops; in connection with the rice-mill has adjusted duties on clean and unhusked rice.

Legislation has been enacted providing for drawbacks to manufacturers of a large part of the duty paid on the content of imported raw material in manufactured articles exported.

The total value of imported articles exempt from duty including Government stores, imports from Syria, etc., was about 40 per cent. of the value of total imports in 1934.

The net duty collected amounted to just over 25 per cent. of the value of dutiable articles.

Invoice Regulations.—Suppliers to Palestine should acquaint themselves with the invoice regulations which were amended in 1934 and require that invoices should contain a statement as to the country of origin, a full description of the goods including value and weight, and particulars of freight, insurance and all other charges.

Merchandise Marks.—The Merchandise Marks Ordinance is of considerable importance to suppliers. No indication of origin need be marked on imported goods; but, if goods are so marked, the country of origin must be specifically stated. Objection is raised to any marking which tends to obscure the country of origin. Thus cases are now before the Courts in connection with the marking of goods in a language other than that of the country of origin.

International Agreements.—A list of the international agreements of Palestine will be found in the Administration report of the Palestine Government for 1934. So far as concerns commercial matters, apart from the direct agreements with Syria and Trans-Jordan, these are mainly commercial treaties between the U.K. and foreign countries applied to Palestine as mandated territory.

XI.—CONCLUSION

Since the last report on Palestine was written in this series in July, 1931, there have been very remarkable economic developments in the country which has rapidly recovered from that year of depression. Imports of goods were valued at £P.5,940,000 in 1931, at £P.15,150,000 in 1934: exports at £P.1,570,000 in 1931, at £P.3,220,000 in 1934. The Government's revenue amounted to £P.2,334,000 in 1931 and to £P.5,452,633 in 1934-35. On the 30th June, 1935, the Government had accumulated a surplus of

£P.5,587,837. The currency in circulation rose from £P.2,370,000 at the end of March, 1931, to £P.5,326,000 at the end of March, 1935. Large sums have flowed into Palestine in the past three years, chiefly owing to the great expansion of immigration: considerable investments and great strides have been made both in agriculture and in industry. Public security is well maintained. Intense building activity, for housing, commercial and industrial purposes, has brought new settlements into being and enlarged the town suburb by suburb. Haifa has grown from a town of 50,000 inhabitants to one of over 80,000: Tel Aviv from 46,000 to 120,000.

At the time of writing there is no apparent decline in the rate of progress. So far as statistics are available, immigration is tending to increase, and the imports of 1935 seem likely to exceed those of 1934. Business generally is brisk: failures are few and unimportant.

So long as the flow of immigrants with capital continues, there seems no reason to be apprehensive regarding the apparent annual adverse trade balance of well over £P.10,000,000. The imports are largely financed by means of imported capital, and are, moreover, largely capital goods, building material, industrial machinery and the like. Apart from the large sums brought into the country, immigrants have resources abroad. It is true that most of the new industries import their raw materials, and that the export of their products is small: but the local market is at present more than sufficient to keep them fully occupied and to enable them to establish themselves. They lower the adverse balance by reducing imports of the goods which they manufacture. It must, however, be admitted that few of them show prospects of developing an export trade. Of the less recent establishments, only the Dead Sea Salts industry seems capable of large export expansion under existing conditions.

Note.—Annual reports on the administration of Palestine and Trans-Jordan issued by the Colonial Office and submitted to the League of Nations are obtainable from H.M. Stationery Office. A monthly commercial bulletin and various other official publications of the Palestine Government of economic interest are obtainable from the Superintendent of Printing and Stationery, Russian Buildings, Jerusalem.

APPENDICES

APPENDIX A—IMPORTS BY COUNTRIES.

APPENDIX B—EXPORTS BY COUNTRIES.

APPENDIX C—PRINCIPAL ARTICLES IMPORTED.

APPENDIX D—TOTAL IMPORTS AND EXPORTS.

APPENDIX E—IMPORTS AND EXPORTS BY CLASSES.

APPENDIX F—AGRICULTURAL EXPORTS.

APPENDIX G—MANUFACTURED EXPORTS.

APPENDIX H—NATIONALITY OF SHIPPING ENTERED AT PORTS.

APPENDIX I—TOTAL SHIPPING ENTERED AT EACH PORT.

APPENDIX A

IMPORTS BY COUNTRIES DURING 1933 AND 1934.

Countries.			Value by Country when consigned 1933.	Value by Country of origin 1934.	Per cent. 1934.
			£P.	£P.	
United Kingdom	...	...	1,949,936	2,960,706	19·54
British Possessions	...	...	452,087	526,406	3·47
Austria	...	...	186,822	348,157	2·30
Belgium	...	...	346,740	620,468	4·09
Bulgaria	...	...	88,614	148,818	0·98
Czechoslovakia	...	...	312,943	514,210	3·39
Denmark	...	...	74,191	127,003	0·84
France	...	...	459,575	417,601	2·75
Germany	...	...	1,193,303	1,658,993	10·95
Holland	...	...	117,900	247,228	1·63
Hungary	...	...	54,394	115,410	0·76
Italy	...	...	357,022	481,261	3·18
Poland	...	...	289,718	475,375	3·14
Roumania	...	...	581,635	953,343	6·29
Russia	...	...	157,637	215,033	1·42
Sweden	...	...	122,213	184,663	1·22
Switzerland	...	...	73,944	168,275	1·11
Yugoslavia	...	...	65,509	174,440	1·15
Egypt	...	...	1,208,227	456,832	3·02
Japan	...	...	349,859	593,552	3·92
Iraq	...	...	81,592	180,452	1·19
Syria	...	...	942,663	1,083,095	7·15
Turkey	...	...	364,506	495,308	3·27
U.S. of America	...	...	838,774	1,283,484	8·47
Other Countries	...	...	454,135	722,668	4·77
Total	...	...	11,123,489	15,152,781	100·00

APPENDIX B

EXPORTS BY COUNTRIES OF DESTINATION DURING 1933 AND 1934.

Countries of Destination.	1933.	1934.	Percentage 1934.
	£P.	£P.	
United Kingdom	1,559,496	1,785,014	55.48
British Possessions	60,613	79,195	2.46
Belgium	9,801	29,947	0.93
Denmark	37,485	45,799	1.43
France	21,922	29,552	0.92
Germany	373,749	600,669	18.67
Holland	53,853	77,481	2.41
Italy	14,312	18,707	0.58
Norway	16,284	29,892	0.93
Poland	15,122	31,990	0.99
Roumania	40,620	60,485	1.88
Sweden	25,265	34,883	1.08
Egypt	71,962	70,484	2.19
Syria	212,982	222,643	6.92
U.S. of America	21,415	30,667	0.95
Other Countries	56,736	70,154	2.18
Total	2,591,617	3,217,562	100.00

APPENDIX C

A COMPARATIVE TABLE SHOWING THE PRINCIPAL ARTICLES
IMPORTED DURING 1933 AND 1934, IS SET OUT BELOW.

Articles.		1933.		1934.	
		Quantity.	Value.	Quantity.	Value.
	Unit.		£P.		£P.
Rice	Kilos	15,712,530	132,238	14,020,676	125,628
Wheat	"	60,047,256	448,236	45,547,042	321,802
Wheat Flour	"	26,918,993	264,679	24,694,811	232,220
Animals for slaughtering	No.	123,080	164,409	270,549	344,122
Butter	Kilos	873,672	75,424	1,773,210	125,613
Fish in Brine, dry, salted, fresh and tinned. }	"	2,953,629	98,968	4,230,600	141,719
Eggs	No.	34,315,479	63,245	56,981,899	105,633
Fruit, fresh	Kilos	5,801,466	73,429	10,448,067	162,969
Coffee	"	982,783	52,403	1,182,526	58,082
Sugar	"	16,067,346	141,865	18,990,092	150,805
Potatoes	"	9,753,278	45,257	12,348,832	73,150
Coal	"	58,007,000	62,443	49,886,087	55,807
Seeds, beans and nuts for expressing oils	"	16,243,387	201,031	18,520,751	170,256
Cement	"	39,409,000	88,328	150,537,089	267,624
Iron bars, angles, rods and girders	"	45,038,048	240,096	80,512,359	520,604
Iron tubes, pipes and fittings thereof	"	11,978,075	214,958	20,469,717	366,032
Sanitary ware	"	—	66,041	—	177,999
Electric goods	"	—	144,865	—	278,504
Agricultural machinery ...	"	—	56,376	—	56,632
Industrial machinery ...	"	—	466,699	—	966,749
Wood for building ...	M3	115,619	253,777	200,337	460,410
Wood prepared for citrus cases	"	41,553	145,097	73,339	242,838
Plywood	Kilos	1,788,770	27,659	5,369,750	87,612
Cotton piece goods	"	3,017,712	410,572	3,979,388	520,574
Woollen tissues	"	375,503	201,559	424,521	245,277
Silk Tissues	"	473,782	231,733	620,237	307,019
Apparel, all sorts	"	—	386,980	—	583,870
Drugs	"	—	71,119	—	117,010
Kerosene	Ltrs.	42,088,267	115,563	48,573,941	154,711
Benzine	"	27,878,604	177,408	40,608,907	206,257
Motors cars	No.	1,969	370,879	3,575	578,271
Parts and Accessories of mechanically propelled vehicles. }	"	—	54,466	—	102,363
Rubber Tyres and Tubes...	Kilos	388,843	66,091	476,508	65,417
Chemical Fertilizers	"	10,789,997	95,968	12,852,916	104,724
Government Stores	"	—	325,561	—	586,977
Military Stores	"	—	343,639	—	243,261
Iraq Petroleum Co., Stores	"	—	694,588	—	305,850
N.A.A.P.I. Stores	"	—	79,228	—	53,522
Personal Effects	"	—	437,048	—	499,120

APPENDIX D

VALUE OF TOTAL IMPORTS AND EXPORTS, COMPARATIVE TABLES FOR 1930, 1931, 1932, 1933 AND 1934.

Imports.	1930.	1931.	1932.	1933.	1934.	Increase over 1933.	Decrease under 1933.
	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Imports for consumption ...	6,985,258	5,940,000	7,768,920	11,123,489	15,152,781	4,029,292	
Imports in Transit ...	155,385	177,162	196,376	187,883	239,558	51,675	
Imports of Specie ...	3,229	2,025	155,501	145,306	273,430	128,124	
Total ...	7,143,872	6,119,187	8,120,797	11,456,678	15,665,769	4,209,091	

Exports.	1930.	1931.	1932.	1933.	1934.	Increase over 1933.	Decrease under 1933.
	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Exports of Palestine Produce ...	1,896,095	1,572,061	2,381,491	2,591,617	3,217,562	625,945	
Exports in Transit ...	155,385	177,162	196,376	187,883	239,558	51,675	
Exports from Bond ...	—	—	—	48,285	49,047	762	
Re-exports of Foreign Goods ...	182,222	251,338	243,607	319,302	283,946		35,356
Exports of Specie ...	1,654	226,467	1,505,952	841,878	850,260	8,382	
Total ...	2,235,356	2,227,028	4,327,426	3,988,965	4,640,373	686,764	35,356

APPENDIX E

VALUE OF IMPORTS AND EXPORTS BY CLASSES, COMPARATIVE TABLES FOR 1930, 1931, 1932, 1933 AND 1934.

Imports.	1930.	1931.	1932.	1933.	1934.	Increase over 1933.	Decrease under 1933.
	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Food, Drink and Tobacco	1,393,009	1,535,129	1,794,830	2,425,817	2,902,093	476,276	
Raw materials and articles mainly unmanufactured	597,574	417,904	556,966	836,485	1,076,894	240,409	
Articles wholly or mainly manufactured	4,067,135	3,261,785	3,910,411	5,743,394	9,168,281	3,424,887	
Miscellaneous and Unclassified	927,540	725,182	1,516,713	2,117,793	2,005,513		112,280
Total	6,985,258	5,940,000	7,768,920	11,123,489	15,152,781	4,141,572	112,280

Exports.	1930.	1931.	1932.	1933.	1934.	Increase over 1933.	Decrease under 1933.
	£P.	£P.	£P.	£P.	£P.	£P.	£P.
Food, Drink and Tobacco	1,476,070	1,229,663	2,025,664	2,246,039	2,865,314	619,275	
Raw materials and articles mainly unmanufactured	51,992	58,692	42,917	31,915	55,405	23,490	
Articles wholly or mainly manufactured	365,350	280,438	312,392	306,092	294,243		11,849
Miscellaneous and Unclassified	2,683	3,268	518	7,571	2,600		4,971
Total	1,896,095	1,572,061	2,381,491	2,591,617	3,217,562	642,765	16,820

APPENDIX F

PRINCIPAL EXPORTS, OTHER THAN MANUFACTURED ARTICLES DURING 1930-1934.

Articles.	Unit.	1930.		1931.		1932.		1933.		1934.	
		Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Barley ...	Tons	17,847	£P. 55,749	461	£P. 1,765	169	£P. 948	115	£P. 570	3,824	£P. 19,270
Chick Peas ...	"	2,611	29,610	3,691	24,205	1,010	7,822	107	87	353	2,658
Durrah ...	"	26,806	151,716	6,912	37,696	292	1,800	320	2,376	934	4,734
Sesame ...	"	2,718	36,222	903	12,527	360	6,498	170	2,872	549	8,455
Oranges ...	Cases	2,857,041	857,223	2,616,451	886,336	3,524,599	1,701,001	4,199,915	1,949,177	5,129,422	2,430,018
Grape fruit ...	"	29,313	10,291	80,507	40,250	149,801	79,564	250,326	129,184	419,789	220,224
Water Melons ...	Tons	35,616	83,625	15,926	47,720	10,979	30,794	6,802	20,634	10,419	30,003
Almonds ...	"	878	27,670	537	20,272	594	20,357	214	5,685	53	1,584
Wool, raw ...	"	81	4,909	40	1,551	12	515	32	1,241	21	1,088
Hides and skins raw and dried.	"	427	28,151	548	21,486	403	11,891	474	11,968	805	22,110

APPENDIX G

TABLE OF PRINCIPAL EXPORTS OF LOCAL MANUFACTURES DURING THE
LAST FIVE YEARS.

	1930.	1931.	1932.	1933.	1934.
	£P.	£P.	£P.	£P.	£P.
Cakes of all sorts for feeding animals	1,660	22	8,980	7,594	14,637
Biscuits and Cakes	2,138	2,505	2,728	1,517	1,256
Bread Passover	3,902	2,386	3,430	2,292	1,903
Cheese	3,255	2,438	4,401	7,111	695
Chocolates	974	1,084	1,653	548	266
Confectionery	1,636	1,513	1,813	2,118	1,489
Fruit Juice and Syrup	2,651	3,318	4,509	6,793	6,751
Brandy and Cognac	1,142	2,703	2,740	2,206	5,721
Wines	31,411	30,592	30,737	22,270	23,214
Olive Oil	19,394	29,227	32,414	20,786	18,687
Sunflower Oil	3,211	3,447	29,353	612	—
Oils other, edible	1,338	5,281	473	26,459	35,978
Cement	28,702	20,450	22,151	14,063	1,700
Mirrors	389	2,222	3,551	3,249	1,973
Bedsteads and parts thereof	1,708	2,317	4,343	818	462
Tin Manufactures	2,553	523	1,117	1,464	1,283
Olive wood manufactures	3,319	2,320	1,567	1,726	1,691
Cotton Yarn and Thread	2,517	840	2,039	2,533	1,931
Cotton manufactures	5,450	2,536	2,338	1,795	936
Stockings and Socks	19,722	16,075	12,538	11,584	8,920
Wearing Apparel of all kinds	19,059	17,081	16,508	26,959	38,124
Soap	206,259	119,941	108,101	79,342	71,532
Paper and Cardboard goods	2,475	3,787	2,544	1,768	4,142
Curios and articles of piety	6,604	4,078	2,819	3,936	5,742
Beads and Mother of Pearl manufactures	11,532	10,662	9,569	8,634	6,877
Leather Handbags	6,274	6,023	5,290	7,249	6,035
Stationery	2,727	3,834	6,770	4,620	989
Artificial Teeth	10,325	16,152	13,429	23,674	28,585
Essences of all kinds	158	703	2,285	3,923	7,447
Other manufactured goods...	35,577	50,394	95,433	108,755	105,874
Total	438,062	364,954	435,623	406,398	404,840

APPENDIX H

COMPARATIVE TABLE SHOWING THE NUMBER, TONNAGE AND NATIONALITY OF
STEAM VESSELS ENTERED AT PORTS IN THE FOREIGN TRADE OF PALESTINE
DURING THE YEARS 1932, 1933 AND 1934.

Nationality of Steamers.	1932.		1933.		1934.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British ...	233	387,146	358	646,608	391	818,501
American ...	28	159,492	31	168,646	27	149,483
Belgian ...	20	32,931	27	40,257	31	55,121
Bulgarian ...	31	38,043	36	46,881	42	51,341
Cypriot ...	—	—	—	—	1	811
Danish ...	19	14,870	22	22,273	44	52,519
Dutch ...	5	18,179	15	33,433	41	67,250
Egyptian ...	28	37,062	26	31,479	28	35,684
Esthonian ...	—	—	1	1,973	3	5,740
Finnish ...	—	—	—	—	1	2,481
French ...	75	307,187	96	584,533	138	785,785
German ...	57	129,235	79	171,935	135	212,444
Greek ...	33	58,736	100	130,639	167	228,847
Hungarian ...	2	4,336	—	—	4	6,171
Italian ...	239	585,443	272	962,019	365	1,287,643
Japanese ...	2	8,244	1	4,266	1	4,823
Norwegian ...	32	44,964	41	59,372	31	64,346
Palestinian ...	31	2,562	11	1,820	—	—
Panamanian ...	—	—	4	10,777	2	5,079
Polish ...	—	—	6	27,114	24	108,456
Roumanian ...	43	67,395	66	131,482	70	132,512
Russian ...	33	36,833	34	38,007	29	29,748
Spanish ...	—	—	1	2,602	1	4,402
Swedish ...	47	49,846	51	52,240	75	87,459
Syrian ...	—	—	6	994	2	514
Turkish ...	9	6,067	9	6,787	7	11,352
Yugoslavian ...	7	14,540	19	47,822	24	56,059
Total ...	974	2,003,111	1,312	3,223,959	1,684	4,264,571

Reports by H.M. Trade Commissioners, Commercial Diplomatic and Consular officers on commercial and financial conditions in the following countries, issued, or in course of preparation, by the Department of Overseas Trade.

A.—During the year 1933.

No.		No.	
540 Hungary ...	2s. 0d. (2s. 1d.)	550 Netherlands	
559 'Iraq ...	1s. 6d. (1s. 7d.)	East Indies ...	4s. 6d. (4s. 9d.)
558 Italy ...	5s. 0d. (5s. 3d.)	536 Panama ...	1s. 0d. (1s. 1d.)

B.—During the year 1934.

No.		No.	
577 Angola ...	1s. 6d. (1s. 7d.)	580 Netherlands ...	3s. 0d. (3s. 2d.)
578 Australia ...	4s. 6d. (4s. 9d.)	585 Norway ...	2s. 6d. (2s. 8d.)
563 Belgian Congo ...	2s. 6d. (2s. 8d.)	572 Paraguay ...	1s. 6d. (1s. 7d.)
575 Belgium ...	4s. 0d. (4s. 3d.)	592 Peru ...	2s. 0d. (2s. 1d.)
583 Brit. E. Africa ...	3s. 3d. (3s. 5d.)	576 Poland ...	2s. 0d. (2s. 1d.)
587 Canada ...	4s. 6d. (4s. 9d.)	590 Portugal ...	2s. 6d. (2s. 8d.)
571 Costa Rica ...	1s. 0d. (1s. 1d.)	586 Roumania ...	2s. 0d. (2s. 1d.)
573 Denmark ...	2s. 6d. (2s. 8d.)	566 Salvador ...	1s. 9d. (1s. 10d.)
564 Dominican Rep. and Hayti ...	2s. 3d. (2s. 5d.)	565 South Africa ...	2s. 0d. (2s. 2d.)
569 Finland ...	2s. 6d. (2s. 8d.)	574 S. and N. Rhodesia and Nyasaland ...	2s. 6d. (2s. 8d.)
581 France ...	7s. 0d. (7s. 9d.)	568 Switzerland ...	2s. 0d. (2s. 1d.)
562 French W. Africa ...	1s. 6d. (1s. 7d.)	589 Syria ...	1s. 6d. (1s. 7d.)
582 Germany ...	3s. 6d. (3s. 9d.)	591 Turkey ...	1s. 6d. (1s. 7d.)
579 Greece ...	2s. 0d. (2s. 2d.)	567 Uruguay ...	1s. 6d. (1s. 7d.)
570 Mexico ...	1s. 0d. (1s. 1d.)	584 Yugoslavia ...	2s. 0d. (2s. 1d.)
588 Morocco ...	2s. 3d. (2s. 5d.)		

C.—During the year 1935.

No.		No.	
Austria ...	(In preparation)	593 India ...	4s. 0d. (4s. 4d.)
616 Algeria, Tunisia and Tripolitania ...	3s. 0d. (3s. 2d.)	Iran (Persia) ...	(In preparation)
608 Argentine ...	4s. 6d. (4s. 9d.)	604 Japan ...	3s. 6d. (3s. 9d.)
Australia ...	(In preparation)	603 Latvia ...	1s. 6d. (1s. 7d.)
613 Belgium ...	3s. 0d.	618 Newfoundland ...	2s. 0d. (2s. 2d.)
602 Brit. Malaya ...	2s. 0d. (2s. 2d.)	596 Nicaragua ...	1s. 0d. (1s. 1d.)
594 Brit. W. Indies ...	4s. 0d. (4s. 2d.)	620 Palestine ...	(See Cover)
595 Bulgaria ...	2s. 6d. (2s. 8d.)	601 Persian Gulf ...	1s. 3d. (1s. 4d.)
619 Canada ...	4s. 0d. (4s. 2d.)	611 Philippine Islands ...	9d. (10d.)
597 Chile ...	2s. 6d. (2s. 8d.)	609 Poland ...	1s. 6d. (1s. 7d.)
615 Cyprus, Malta and Gibraltar ...	2s. 6d. (2s. 8d.)	Portuguese East Africa ...	(In preparation)
612 Czechoslovakia ...	2s. 0d.	607 Siam ...	1s. 9d. (1s. 10d.)
617 Denmark ...	2s. 6d. (2s. 8d.)	606 Spain ...	1s. 6d. (1s. 7d.)
599 Ecuador ...	1s. 6d. (1s. 7d.)	605 Sweden ...	3s. 0d. (3s. 2d.)
Egypt ...	(In preparation)	600 United States ...	5s. 0d. (5s. 3d.)
598 Honduras ...	1s. 9d. (1s. 10d.)	610 Venezuela ...	1s. 6d. (1s. 7d.)

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PALESTINE

REVIEW OF
COMMERCIAL CONDITIONS

February

1945

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CONTENTS

	PAGE
I. INTRODUCTORY	
Geography	3
Population	3
Language	3
The "Mandate" in relation to trade	3
Jewish immigration	4
Currency and exchange	4
Statistics of Palestine's imports and exports	5
II. PALESTINE'S PRE-WAR ECONOMY	5
III. PALESTINE'S PRE-WAR EXTERNAL TRADE	8
IV. PRE-WAR ANGLO-PALESTINIAN TRADE	11
V. WAR-TIME CHANGES IN PALESTINE'S EXTERNAL TRADE AND ECONOMY	
External trade changes	12
Changes in general economy	15
VI. WAR-TIME DEVELOPMENT OF PALESTINE'S INDUSTRIES	16
VII. PALESTINE AS A POST-WAR MARKET FOR UNITED KINGDOM GOODS	19
APPENDIX—	
Statement showing the value of the principal goods imported into Palestine in 1939, distinguishing the amounts imported from the principal supplying countries.	22

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I Introductory

GEOGRAPHY

Palestine (capital : Jerusalem) is a country of little more than 10,000 square miles. Its western border is a stretch of coast, about 140 miles in length at the eastern end of the Mediterranean. It is bounded on the north and north-east by the Lebanon and Syria, on the south by the Sinai province of Egypt and on the east by Trans-Jordan. The boundary with Trans-Jordan follows the lower course of the River Jordan, passes through the middle of the Dead Sea for some 50 miles and then follows the Wadi Aqaba to the Gulf of Aqaba at the north-eastern end of the Red Sea.

POPULATION

Palestine's population including the Bedouin tribes was estimated to be 1,585,500 at the end of 1941; the average density of population per square mile over the whole country is 157, but, if the Beersheba district in the south—a tract of almost desert country constituting nearly half of Palestine's area—be excluded the density for the rest of the country is nearly double that figure. Moslems numbered 61·4% of the estimated population, Jews 29·7% and Christians 7·9%. The population has grown rapidly, largely as a result of immigration : ten years earlier the total population was only about one million and in 1922 it was 752,000.

The estimated populations of the principal towns in 1941 were:—Jerusalem 141,000, Tel Aviv (municipal area, all Jews) 140,700, Haifa 114,400 and Jaffa 85,300 : in 1922 the population of Tel Aviv was only 15,185 and that of Haifa was 24,634.

LANGUAGE

English, Arabic and Hebrew are all official languages ; French and German were also used widely in commercial correspondence before the war.

THE "MANDATE" IN RELATION TO TRADE

Palestine is administered, under a League of Nations Mandate by the United Kingdom. The Mandate came into force in September, 1923. The customs tariffs in force are accordingly applied uniformly to all imports, irrespective of the country of their origin.

The Mandate embodies the " Balfour Declaration " providing for the establishment of the " Jewish Agency for Palestine " to advise and to co-operate with the Administration in questions relating to the Jewish National Home and the interests of the Jewish population.

Article 18 of the Mandate provided, *inter alia*, that there should be freedom of transit under equitable conditions across the mandated area.

Before the war Palestine was an "open-door" market without exchange restrictions or quotas apart from the existence of a permit system applying to flour, wheat, rye as well as acid and unrefined olive oil.

JEWISH IMMIGRATION

Jewish settlement in Palestine has resulted in the establishment of a number of organisations. Immigration itself is supervised by the Jewish Agency for Palestine, with official recognition.

There are three Funds connected with the settlement of immigrants: The Keren Kayemeth Leisrael, which is concerned with the purchase and development of land; the Keren Hayessod, which finances the settlement of immigrants on the land, and the Palestine Jewish Colonisation Association (PICA), which is a private fund concerned with the development of earliest settlements founded by Baron Edmond de Rothschild. All three are non-profit-making. The first two mentioned are maintained by funds subscribed by Jews all over the world.

In addition, the Palestine Economic Corporation Inc. of New York and The Palestine Corporation Ltd. (which is registered in Palestine, but whose capital is mainly British) are investment trust corporations which concern themselves with financing—with U.S.A. and British capital respectively—various undertakings largely of a public utility nature, e.g., water companies, Palestine Hotels, Palestine Electric Corporation, etc. They were concerned, along with the Consortium of Banks, in financing the citrus industry. They work as purely financial concerns.

CURRENCY AND EXCHANGE

The standard unit of currency is the Palestine pound (£P.) divided into a thousand mils. The currency (represented by notes and subsidiary coin) is on a sterling exchange standard maintained at par with the £ sterling by the Palestine Currency Board with headquarters in London. The Board's rate of commission is 1/8th of 1% for telegraphic transfers both on London and on Palestine.

Notes and subsidiary coin are issued by the Board (through its Currency Offices in Palestine) in the following denominations:—

Notes : 500 mils P.1, 5, 10, 50 and 100.

Coin : silver—50 and 100 mils ;
cupro-nickel or bronze—5, 10 and 20 mils ;
bronze—1 and 2 mils.

The 10 mil coin is commonly called the Palestine piastre and is worth $2\frac{2}{5}$ pence.

STATISTICS OF PALESTINE'S IMPORTS AND EXPORTS

The statistical tables included in this Review are, unless it is otherwise stated, based on official Palestine statistics ; since the £P. is equivalent to the £ sterling, values are recorded throughout this Review in sterling.

II**Palestine's Pre-War Economy**

While Palestine is still primarily an agricultural country, there has been considerable industrial expansion in recent years, especially during the war.

The cultivation of oranges, grapefruit and other citrus fruits in the Coastal Plain and Jordan Valley regions is the principal agricultural activity and these fruits provided the country in the years immediately before the war with nearly three-quarters of its total export income. In 1939, for instance, the export of these fruits accounted for nearly £4 million out of a total export value of £5,117,769, oranges alone contributing £3,384,513 ; the figures in 1938 were very similar.

Cereals (principally wheat, barley and durrah) and vegetables are grown for local consumption but large quantities of wheat, barley, potatoes and other foodstuffs have to be imported in addition. Almonds were in the past an important export crop but many of the groves have now been destroyed, the land having been devoted to oranges and other crops. Olives are grown extensively in the hill districts and a fair quantity of olive oil is exported. Some tobacco is grown in the north of the country.

The livestock and dairy produce industry has developed considerably, especially in the Jewish settlements, but it is still necessary to import large supplies of poultry, butter, cheese, eggs, etc. Sheep and goats are bred in most districts.

There are a number of fishing centres along the coast but the catches fall short of the country's needs and the import of fish is considerable.

So far as is known there are no deposits of coal or metals in Palestine. The Dead Sea, however, holds valuable mineral resources, mostly potash and bromine. Large deposits of rock salt exist near the Dead Sea. Other mineral resources include limestone and clay (for cement), building stone and marble.

Palestine is defective in supplies of timber. There is no basic iron and steel industry : there are no rolling mills but some drawing

mills turn out satisfactory products, somewhat uncompetitive in price. The Vulcan Foundries Ltd. at Haifa are important and used to export enamelled cast-iron baths on a fair scale before the war. There are also many small engineering concerns capable of turning out small castings.

Though there was some export of local manufactures before the war, most factories in Palestine relied on the local market. Many of the factories were on a very small scale, statistics based on a census taken by the Jewish Agency in 1937 showing that at that time some 5,600 Jewish industrial establishments employed only 30,040 persons, or an average of 6 per establishment. The value of the output of these particular firms in 1937 was stated to be over £9 million. No census had then been made of factory production and employment in Palestine as a whole.

Goods produced for home consumption included various kinds of foods, beverages, tobacco, cigarettes, clothing, building materials, tools, stationery, etc. Among the principal industrial exports are potash and bromine from the Dead Sea, exports of which in 1939 were valued at £381,162, and £46,528 respectively. Wine was an export of some importance, averaging before the war over £20,000 a year. It was not until about 60 years ago that wine production was established on a commercial basis in Palestine; vines of French and Spanish stock have been planted and give good quality wines.

The increasing production of brandy and other spirits is mostly consumed locally, but some brandy is exported.

Olive oil and olive oil soap are traditional Palestinian products. Before the war the yearly value of exports of edible olive oil averaged about £85,000 (in addition to appreciable exports of edible oil made from imported ground-nuts). Olive oil soap was formerly produced on a very large scale and marketed mainly in Egypt; though this trade with Egypt was considerably reduced by tariff restrictions and the competition of cheaper acid-oil soaps, Palestine still had a fair export of olive oil soap and other soaps. Cattle-cake is a by-product of the local oil and soap industry.

The manufacture of textiles and wearing apparel was carried on exclusively by Jews, most of the factories being situated in the Tel-Aviv district. The output was mainly for the local market but there was a small export to nearby countries. Cotton, woollen and silk yarns were imported into Palestine in considerable quantities for use in the textile manufacturing industry, there being no local spinning mills.

Cement was manufactured from local materials, principally by a British-owned company operating near Haifa: there was a small export trade, though cement was also imported into Palestine. The manufacture of building materials generally was an important local industry; building activity was particularly marked during

the 1930's when large numbers of new settlers were arriving and houses had to be built for them.

Many other types of goods for local consumption were made in Palestine ; but the country was by no means self-supporting and large imports from abroad of essential foodstuffs as well as of raw materials for industry, and of manufactured goods for domestic use, were needed. Apart from foodstuffs and textile yarns the more important goods imported in the years immediately before the war comprised :—industrial machinery, electrical goods and apparatus, prepared wood (for packing citrus fruit) and other wood, cotton and woollen piece goods, wearing apparel, motor cars and trucks, rubber tyres, petrol, iron pipes, iron bars, girders and sheets, tin plate, cement, chemical fertilisers, etc.

There were also large importations of Government and military stores, as well as stores for the Iraq Petroleum Company, one of whose pipe-lines crosses Palestine to reach the sea at Haifa. The length of the pipe-line actually in Palestine is only 40 miles, but the offices of the general management of the company are at Haifa where the terminal site tank farms, pumping station, sea lines, main aerodrome and wireless station are situated. (Incidentally the Petroleum Company's telegraph and telephone system installed alongside the pipe-line has made a direct public telephone service between Palestine and Iraq possible.)

There are two electric power companies, viz : the Jerusalem Electric and Public Service Corporation supplying Jerusalem and the surrounding district from a generating station in Jerusalem and the Palestine Electric Corporation, with diesel-engined generating stations at Haifa and Tel-Aviv and a waterpower station on the Jordan, supplying the remainder of the country. Palestine has made remarkable progress in the use of electric power in recent years; whereas in 1931 the total units sold (in K.W.H.) were under 10,000,000 the figure for 1941 was over 111,000,000, of which more than half was for industrial purposes and irrigation. The number of subscribers connected with the Palestine Electric Corporation's systems grew from 12,029 in 1931 to 83,337 in 1941.

Palestine's railway system, which extends beyond the country's borders, comprises three main sections, viz :—

- (a) the Sinai Railway—125 miles of standard gauge.
- (b) the Palestine Railway—208 miles of standard gauge.
- (c) the Hedjaz Railway—202 miles of narrow gauge.

Of these, however, only (b) and part of (c) operate in Palestine itself, namely 208 miles of standard gauge and 90 miles of narrow gauge.

There has been a rapidly growing use of road motor transport for both passengers and goods and this competition has badly hit

the railways which were showing annual deficits for some years before the war ; there are some 1,600 miles of all-weather roads in Palestine and a further 960 miles of dry-weather roads.

Water supply, drainage, road construction, port and railway development and other public works of importance to the economy of the country have been undertaken during recent years. In 1940 nearly £2 million were spent on such works by the Administration and by various municipal authorities.

III

Palestine's Pre-War External Trade

Though increases in the values of imports and exports did not occur uninterruptedly year by year, there was, nevertheless, a considerable over-all expansion of Palestine's foreign trade during the period of the British administration up to the outbreak of war. In 1923 the value of imports was £4,948,907 ; by 1939 it had risen to £14,632,822 : the value of exports rose in the same period from £1,412,520 in 1932 to £5,117,769 in 1939.

The following table shows the VALUES OF PALESTINE'S IMPORTS, EXPORTS AND UNFAVOURABLE TRADE BALANCES IN THE YEARS 1936-1939 :—

Year					VALUES IN £000's		
					Imports	Exports	Unfavourable trade balance
1936	..	..	..	..	13,979	3,625	10,354
1937	..	..	..	..	15,904	5,814	10,090
1938	..	..	..	..	11,357	5,020	6,337
1939	..	..	..	..	14,633	5,118	9,515

It will be noted that in each year there was a relatively very large adverse visible trade balance. But there was a large volume of "invisible exports" which went far to preventing, if they did not entirely prevent, an adverse balance of payments. These "invisible" items included (a) expenditure in Palestine by the British Government, by tourists, and by religious and relief Missions; (b) capital brought into the country by British and foreign companies, immigrants and Zionist organisations; (c) profits on the re-export and transit trade; and (d) returns from investment abroad of Palestinian capital. Moreover a proportion of the imports from Germany represented such portion of their capital as Jewish refugees were allowed to transfer from Germany : as payment for these goods was in effect made before these refugees left Germany,

no payment had to be made for them across the exchanges. So far as is known no attempt has been made exactly to assess the aggregate value attributable to these items.

The following were the VALUES OF PALESTINE'S IMPORTS AND EXPORTS, CLASSIFIED BY MAIN TYPES, IN 1939 :—

Types of production	Imports		Exports	
	£ thousands	%	£ thousands	%
Food, drink and tobacco	3,756	25.6	4,192	81.9
Raw materials and articles mainly unmanufactured	1,481	10.1	159	3.1
Articles wholly or mainly manufactured	9,362	64.0	766	15.0
Miscellaneous and unclassified ..	34	.3	1	—
Totals	14,633	100.0	5,118	100.0

The following table shows the VALUES AND SOURCES OF SUPPLY, OF PALESTINE'S IMPORTS, 1936—1939 :—

SOURCES OF IMPORTS	VALUES IN £000's			
	1936	1937	1938	1939
United Kingdom	2,776	2,519	1,496	2,391
Other British Empire countries	597	731	726	896
U.S.A.	1,008	1,099	970	1,953
Germany	2,040	2,628	1,645	1,622
Syria	1,401	1,374	1,015	1,355
Roumania	1,068	1,372	1,253	1,200
Egypt	514	631	405	600
Poland	429	475	419	599
Czechoslovakia	421	474	347	281
Japan	419	494	303	343
Belgium	382	495	339	361
Turkey	268	254	79	92
Holland	227	229	232	287
France	214	270	208	296
Persia	178	223	115	233
Iraq	156	361	173	207
Italy	86	321	236	316
Others	1,795	1,954	1,396	1,601
Value of total imports ..	13,979	15,904	11,357	14,633

In the table of imports the value of crude petroleum imported by pipe-line from Iraq is excluded : since the refining of oil in Palestine did not begin until 1940, the crude petroleum brought by pipe-line was re-exported and was treated as "transit trade."

The following table shows, for the same years, the VALUES AND DESTINATIONS OF PALESTINE'S EXPORTS :-

EXPORT DESTINATIONS	VALUES IN £000's			
	1936	1937	1938	1939
United Kingdom ..	1,970	3,150	2,469	2,440
Other British Empire countries ..	68	106	145	189
U.S.A. ..	22	35	109	146
Germany ..	131	106	74	30
Syria ..	310	625	413	389
Holland ..	199	325	402	452
Poland ..	136	157	134	135
Sweden ..	126	155	172	178
Roumania ..	72	113	116	132
Belgium ..	67	177	230	314
Egypt ..	63	99	102	97
Japan ..	60	36	36	61
Norway ..	54	80	124	85
Turkey ..	54	115	44	9
Czechoslovakia ..	53	77	90	31
France ..	48	139	82	166
Others ..	192	319	278	264
Value of total exports ..	3,625	5,814	5,020	5,118

It will be seen that the United Kingdom was throughout by far the largest purchaser of Palestine's exports, and in 1936 and 1939 she was also the principal supplier of Palestine's imports. In 1937 and 1938 Germany was Palestine's principal supplier but in no year was she of much value as a customer. The U.S.A. took second place as supplier in 1939 of Palestine's imports, but in the pre-war years she purchased little of Palestine's exports.

The following table shows, again for the same years, the PERCENTAGE DISTRIBUTION OF PALESTINE'S IMPORT AND EXPORT TRADE WITH THE UNITED KINGDOM, GERMANY AND THE U.S.A. :-

Year	PERCENTAGES					
	United Kingdom		Germany		U.S.A.	
	Imports	Exports	Imports	Exports	Imports	Exports
1936 ..	19.86	54.35	14.59	3.61	7.21	0.61
1937 ..	15.84	54.19	16.53	1.82	6.91	0.61
1938 ..	13.17	49.18	14.48	1.47	8.54	2.16
1939 ..	16.34	47.68	11.08	0.58	13.35	2.85

Attention is here drawn to the Appendix which sets out the sterling values (based on Palestinian official statistics) of the principal commodities imported into Palestine in 1939. That Appendix also indicates the shares of the United Kingdom, the U.S.A. and Germany in the trade, and notes other principal sources of supply.

IV

Pre-War Anglo-Palestinian Trade

Although in most of the years immediately preceding the war the United Kingdom was the principal supplier of Palestine's imports (1937 and 1938 in which Germany took the lead were exceptions), United Kingdom goods had to meet keen competition from those of other countries. Quality goods of United Kingdom manufacture usually held their own, but Palestine was still a market where price was the dominating factor in the case of many kinds of goods; this factor was largely responsible for the very moderate share which the United Kingdom had of Palestine's import trade. From 1934 to 1939 her share was never higher than 20%, though she took on an average over 53% annually of Palestine's exports in those years.

Until 1937 the United Kingdom's exports to Palestine were normally of considerably higher value than her imports from that country. In 1937 and 1938 the position was reversed, but in 1939 when the United Kingdom supplied 16·34% of Palestine's total imports and took nearly half of her total exports, the trade between the two countries practically balanced.

The following table, based on Palestinian official statistics, shows, for the years 1936-1939, the VALUE OF ANGLO-PALESTINIAN TRADE :—

						VALUES IN £000's	
						U.K. exports to Palestine	U.K. imports from Palestine
1936	..	..	..	..	..	2,776	1,970
1937	..	..	..	..	..	2,519	3,150
1938	..	..	..	..	..	1,496	2,469
1939	..	..	..	..	..	2,391	2,440

Many varieties of manufactured goods were imported into Palestine from the United Kingdom before the war, the imports of highest value being cotton and woollen yarns and piece goods; clothing; iron and steel manufactures; electrical and other machinery; chemicals, drugs, dyes and paints; pottery and sanitary ware; rubber tyres, tubes and other goods. Foodstuffs and provisions were also imported from the United Kingdom, as well as the greater part of Palestine's requirements of coal. Particulars of the values of these imports in 1939 are shown in Appendix I, from the last column of which it will be seen that Palestine's imports from other British Empire countries were of some importance. These imports included wheat and wheat flour from Canada

and Australia ; oil seeds and nuts, sacks and bags, yarns and thread, spices and tea from India ; and butter and frozen meat from New Zealand.

United Kingdom imports from Palestine consisted almost entirely of citrus fruits—oranges, grapefruit, lemons and limes ; oranges alone accounted for more than three-quarters of the value of all such imports. Other imports from Palestine of growing importance before the war were compounds of potassium and bromine from the deposits in the Dead Sea. The value of these compounds taken by the United Kingdom in 1939 from Palestine and Trans-Jordan was, according to the United Kingdom official trade returns, £196,024. Wine was the only other import of any consequence but the value in 1939 did not much exceed £10,000 according to the same authority.

V

War-Time Changes in Palestine's External Trade and Economy

EXTERNAL TRADE CHANGES

During the war Palestine's trade, both import and export, was increasingly subjected to control. The Palestine Administration in the early days of the war instituted a number of controls for the supervision of external and domestic trade in all commodities. Moreover, shipping space was a limiting factor : here the United Kingdom Commercial Corporation in the United Kingdom acted as the agent of the Ministry of War Transport for the allocation of shipping space for civilian supplies. This Corporation also engaged in the procurement of orders on behalf of the Palestine Administration (where the goods required were not obtained through the Crown Agents for the Colonies) and in carrying out the policy of the Middle East Supply Centre in Cairo, as its executive agent, in the case of centralised supplies.

As regards private imports into Palestine, licences were issued by the Administration after examination of applications by the appropriate controls but, in fact, these licences became effective only if supported by the Middle East Supply Centre which reviewed the general requirements of Palestine, as of other Middle Eastern countries, to ensure that available civilian supplies should be fairly apportioned among the countries concerned.

Palestine, in common with other members of the Sterling Area, introduced control of foreign exchange immediately war broke out

and in this respect has pursued a policy parallel with that of the United Kingdom. Subsequently price control and rationing measures were applied to foodstuffs and to a number of essential commodities.

The following table shows the VALUES AND SOURCES OF SUPPLY OF PALESTINE'S IMPORTS IN 1939 AND SUBSEQUENT YEARS :—

VALUES IN £000's

SOURCES OF IMPORTS	1939	1940	1941	1942	1943
United Kingdom ..	2,391	2,461	3,667	3,923	1,831
Other British Empire countries	896	1,304	3,267	8,867	7,741
Iraq	207	1,148	1,345	2,271	7,749
Transjordan	(a)	(a)	285	674	2,172
Egypt	600	1,388	1,677	1,035	2,011
U.S.A.	1,953	1,249	1,318	2,196	1,887
Syria	1,355	502	395	679	1,460
Turkey	92	317	282	570	1,372
Others	7,139	4,192	1,089	1,160	980
Value of total imports ..	14,633	12,561	13,325	21,375	27,203

(a) Not separately recorded before 1941

The preceding table is based on the official Palestinian statistics, but it is understood that these figures do not include the value of imports of military, or of N.A.A.F.I., stores. It will be seen that, even so, the value of imports in 1943 was nearly double that in 1939.

As regards sources of supply, the difference of about £7 million between the value of imports from the sources of supply specified in the preceding table and the value of Palestine's total imports in 1939 can be explained by reference to the table included in the early part of Section III of this Review showing in more detail the various countries from which Palestine's imports came in that year.

Before the war Palestine's trade with Germany, Italy, Japan and those European countries which during the war were occupied by the enemy had been considerable, Palestine's imports from these areas reaching in 1939 a value of over £5½ million. By 1941 the value had fallen to £337,515, Japan's share being £196,145. The fact should not be overlooked that a proportion of the pre-war import trade from Germany was due to non-commercial considerations, representing, as was explained earlier, the capital which Jewish refugees were allowed to transfer from Germany only in the form of German goods.

Palestine's war-time imports from the United Kingdom and the U.S.A. together rose from £3·7 million in 1940 to just over £6 million in 1942 but fell to less than £3½ million in 1943. "Other British Empire countries," on the other hand, became far more important as sources of supply; these countries were India and Canada principally and, in lesser degree, the Union of South Africa.

Iraq became Palestine's principal source of supply, her contribution being almost entirely crude petroleum to meet Palestine's increasing capacity for refining oil: she also supplied dates, sheep and camels.

Palestine's imports from other Middle Eastern countries (Transjordan, Egypt, Syria and Turkey) rose in value from little over £2 million in 1939 to over £7 million in 1943, largely as a result of the encouragement by the Middle East Supply Centre in Cairo of increased inter-territorial trading in this area. Over one half of Transjordan's supplies consisted of cereals; cattle, oxen and sheep were other important items. Turkey supplied considerable quantities of fish and cattle, and Syria cereals and a variety of manufactured goods, including cotton piece goods to a value of £233,000. Egypt provided foodstuffs to a value well exceeding £1½ million in 1943 in addition to raw material (largely raw cotton and molasses) and a variety of manufactured goods.

The following table shows the VALUES AND DESTINATIONS OF PALESTINE'S EXPORTS IN 1939 AND SUBSEQUENT YEARS :—

VALUES IN £000's					
EXPORT DESTINATIONS	1939	1940	1941	1942	1943
United Kingdom ..	2,440	1,554	721	849	1,022
Other British Empire countries	189	374	240	586	826
Egypt	97	450	1,499	3,531	4,301
U.S.A.	146	55	141	868	2,339
Turkey	9	51	443	1,059	1,464
Syria	389	434	779	1,389	1,318
Iraq	5	15	23	104	489
Others	1,843	1,140	370	290	993
Value of total exports ..	5,118	4,073	4,216	8,676	12,752

Palestine's exports went almost entirely to that relatively small group of countries which served as her sources of supply. The increase of inter-territorial trade among the countries of the Middle East resulted in a rise in the value of Palestine's exports to Egypt, Turkey, Syria and Iraq from a mere £500,000 to £5·6 million. Palestine's increasing oil-refining capacity was an important factor in her export trade.

The considerable increase in the value of Palestine's exports to the U.S.A. in 1942 and 1943 was due to exports of diamonds cut and polished in Palestine.

CHANGES IN GENERAL ECONOMY

On the whole the war has considerably enriched Palestine though it is probable that among the poorer sections of the community there will be many definitely the worse off owing to the increased cost of living. The amount of money in circulation and in the Banks has much increased, thanks mainly to army contracts placed with local firms and to the large aggregate volume of spending by troops stationed in Palestine. The total currency (notes and coins) in circulation in March, 1939, amounted to a little over £6½ million; this amount increased to :—

£8½ million by March, 1940
 11 million by March, 1941
 14 million by March, 1942
 26½ million by March, 1943
 37 million by March, 1944
 47½ million by December, 1944

The whole of the currency circulation (notes and coin) is backed 100% by sterling.

Deposits with the Banks and Co-operative Societies rose from £17 million in 1937 to £24½ million in the middle of 1942, to £51½ million in November, 1943, and to £69 million by the end of November, 1944.

These increases were accompanied by a marked rise in the war-time cost of living. Though an official index of retail prices had been maintained since 1922, it was not until 1942 that a cost of living index was established to guide the Palestine Government in dealing with applications for cost of living allowances. The new index, which covers items in all the main groups of household expenditure, viz. food, housing, fuel and light, clothing, etc., was first published in April, 1943; January, 1942, was taken as the starting point but, in order to allow for increases during the earlier war period, the index figure for January, 1942, was put at 175 compared with 100 at the outbreak of war. On this basis the cost of living figure had risen by January, 1943, to 215 and by August, 1943, to 243, a figure rather below the peak, 248, reached in June, 1943. The figure fell somewhat during the latter part of 1943, being only 233 in January, 1944, but for August, 1944, it was 255.

These cost of living figures take no account of the extensive black market operations; in the absence of necessary supplies in the legitimate market very many consumers had recourse on occasion to the black market.

Labour disputes during the war have been concerned mostly with cost of living and general wage questions. They have not involved large numbers of workers and settlements have been made without serious loss of time. The principle trade union in Palestine is the General Federation of Jewish Labour or Histadruth with a membership in 1943 of about 100,000 : a further 25,000 Jews and some 10,000 Arabs were members of other trade unions or similar organisations.

VI

War-Time Development of Palestine's Industries

The war has much stimulated Palestine's manufacturing industries and civilian demands for certain types of goods no longer importable are now largely met from home production. This development is largely attributable to the activities of the Middle East Supply Centre, established in 1941 with headquarters in Cairo. This Centre had, as one of its primary objects, the limitation of demand upon the available volume of shipping space for the transport of civilian supplies in the Middle Eastern area : at first a purely United Kingdom organisation it later became a joint United Kingdom—U.S.A. body. To attain its objective of economising shipping space the Centre fostered local industries to satisfy the essential needs of the countries in which such industries were established, as well as the needs of neighbouring countries, facilitating the import of raw material to enable such industries to operate. Furthermore a greater exchange of foodstuffs and raw materials within the Middle Eastern area was encouraged in preference to the maintenance of pre-war channels of trade into the creation of which many factors other than economy of shipping space had entered. In this way not only were long shipping hauls obviated but the use of local productive capacity to the fullest extent released man power in the United Kingdom and elsewhere for other essential requirements. In 1941 the Palestine War Supply Board was formed to work in collaboration with the Middle East Supply Centre to this end.

As a result of these activities not only have there been considerably increased exports of local manufactures to near-by countries but Palestine has also executed large orders placed by the military authorities for clothing, boots, and other goods. Most Service requirements in the earlier war years had to be ordered outside Palestine and in 1940 military contracts placed with local manu-

facturers did not exceed £1 million in value. In 1941 the figure was £4 million, rising in 1942 to between £8 and £10 million, a sum equivalent almost to the value of Palestine's total factory output before the war. These Service orders in 1942 are estimated to have given employment to some 40,000 workers.

The value of Palestine's total industrial output in 1942 is estimated at about £27 million and in 1943 at about £36 million, compared with about £10 million in 1939 ; no estimate for 1944 is yet available. Apart from military contracts the armed forces stationed in Palestine created a considerable demand for locally produced goods.

Among new items of export from Palestine in 1943 may be mentioned tanned hides, to the value of over £200,000 ; cotton piece goods, £88,000; window and other glass. £51,000 ; safety razors and blades £31,000.

The staple export industry of the country in normal times is, as was stated earlier, the cultivation and packing of citrus fruits. Export of these fruits to the United Kingdom, the principal market, ceased soon after the outbreak of war and it was not until 1944 that limited quantities of Jaffa oranges again began to reach the United Kingdom. Efforts have been made to keep the citrus groves in good order pending the resumption of normal trading, but there has inevitably been some neglect and it seems certain that output must be on a somewhat reduced scale for some time after the war. War-time export difficulties have caused greater attention to be paid to the production of citrus concentrates, isolated vitamin preparations and essential oils, and it is probable that these products will figure largely in Palestine's post-war exports.

As might have been expected in view of the role which Palestine has been called upon to play as a war-time source of supply, the greatest development has taken place in her food and metal industries, and in the leather and textile industries ; many varieties of goods formerly imported are now made locally. Among the products which are now manufactured on a fairly large scale are glass, carbonic acid, oxygen, sulphuric acid, brass and steel castings, precision instruments, boots and shoes (mass-produced), sole leather, packing boxes, electric batteries and plastics. Insulin has been made experimentally. Not all of these are new war-time products but the increased scale of production is such that in most cases it would be fair to describe them as war-time innovations. Other local industries producing goods in fair quantities for home consumption and export to neighbouring countries are those concerned with the production of artificial teeth, dental burrs and razor blades.

Further industrialisation, covering a wider range of products, would no doubt have taken place had it been possible to obtain the necessary raw material and machinery but, in view of the need

of conserving shipping, imports were in general limited to what were required to produce goods essential for the satisfaction of war-time needs in Palestine and in neighbouring countries.

One of the most remarkable developments has been the war-time growth of the diamond-cutting industry : compared with about 200 workers formerly employed, there are now as many as 3,000. The raw diamonds are imported from the Union of South Africa and are cut and polished in Palestine for export to the world's markets.

Sugar beet is being cultivated experimentally, and syrup and molasses are being produced. Another development of interest to agriculture is the production of super-phosphate fertiliser by the company working the Dead Sea bromine and potash deposits. This development has rendered Palestine independent of imported super-phosphate fertilisers and has provided her with an exportable surplus sufficient to meet the needs of other Middle East countries. The war has seen largely increased shipments to the United Kingdom of potash and bromine derived from the Dead Sea deposits, from which magnesium chloride and calcium chloride are also produced in Palestine.

The future transformation of Palestinian industries from a war footing to a peace footing is a complex problem which has been given profound consideration by the Palestine Manufacturers' Association and by the Government. There are three clearly marked categories of industries :—First, the recognised war-time industries with no future which have been allowed to fix prices for their products compatible with the rapid amortisation of capital; secondly, those for which a future may be regarded as assured; and thirdly, those for which the future is doubtful.

As regards the second category, which is the most interesting to consider, the point has been made by the Manufacturers' Association that the shortage of local raw material is of secondary importance provided that industrial skill and aptitude are available; many immigrants have brought their industrial knowledge with them. The clothing and fashion trades, for instance, are typically Jewish industries in many countries. Palestine will in all probability be in a position to continue this industry and to export to neighbouring countries. The same applies to many branches of the fancy leather industry (e.g. gloves, handbags, etc.) though, if Palestine is to be competitive in these lines, cheaper supplies of raw material may well be required.

The future of the diamond-cutting industry too, seems assured. There is a good potential future for the plastic industry which, however, depends on the good-will of suppliers of raw materials : if overseas suppliers elected to market the finished products in Palestine and withdrew supplies of moulding powders, etc., Palestine would be helpless.

Palestine's pharmaceutical industry is partly sound in that Palestine has many skilled chemists and well-equipped laboratories, and partly unsound in that much of the so-called pharmaceutical industry of the country consists of importing the finished product in bulk, its contribution being merely that of repacking, labelling and retailing.

VII

Palestine as a Post-War Market for United Kingdom Goods

For many years up to and including 1936 Palestine's imports from the United Kingdom were of greater value than her exports. In 1937, however, export values increased and in that year and in 1938 and 1939 the balance of trade was in favour of Palestine. During the war the position changed again, with the result that from 1940 onwards Palestine's imports from the United Kingdom have been much higher in value than her exports; this was the natural result of the practical discontinuance owing to war conditions of exports of citrus fruits which had previously been the mainstay of Palestine's export trade to the United Kingdom.

It seems likely that for some period after the war ends the trading position will remain substantially the same, though the balance against Palestine will probably become less marked as the United Kingdom finds it possible, owing to improved shipping facilities, to import more citrus fruit: eventually Palestinian fruits will probably again find a satisfactory market in the United Kingdom.

It has already been mentioned that before the war the United Kingdom's share of Palestine's import trade, by value, was never higher than 20%. During the war, and largely because of war-time conditions, imports from India, Canada and other British territories (excluding the United Kingdom) increased remarkably in relation to imports from the United Kingdom.

As regards cotton textile goods it must be borne in mind that, in 1939, compared with imports from the United Kingdom worth just under £50,000, Japan sold cotton piece goods to a value of £216,000 and Italy to a value of £47,000; the possibility of their regaining their hold on the market after the war must be reckoned with. India entered the market during the war and is likely to remain a competitor in the cheaper lines of piece goods, but the higher quality United Kingdom piece goods are likely to remain in fair demand.

Before the war the United Kingdom supplied a good proportion of Palestine's requirements of the finer counts of cotton yarns, and opportunities should occur in the future for increased trade in these goods as the local textile and clothing industries expand. Here again Italy was a pre-war competitor with an export worth £13,000 in 1939 and India with a similar total, compared with the United Kingdom's contribution of cotton yarns and thread to a value of £20,000.

There should be opportunities, in spite of increased local manufacture, for the high class types of woollen cloths in which United Kingdom manufacturers have specialised for many years: in 1939 the United Kingdom provided these to a value of £70,000 out of a total import valued at £181,000. Italy was "runner up" with £58,000.

Textile machinery is already being asked for and the demand will no doubt increase as local textile manufacture expands. Opportunities will thus be afforded for United Kingdom makers to re-enter the market when supply conditions become easier. Knitting machinery will be in demand, as will also be agricultural machinery and equipment of various kinds, as well as plant and machinery for the canning and packing industries. The United Kingdom supplied in 1939 one half of all Palestine's imports of electrical machinery and appliances (to the value of £173,000 out of £347,000) and there should be increased openings for these goods after the war.

Of machinery other than electrical the U.S.A. was principal supplier in 1939. Out of a total import worth £883,000 the U.S.A. was responsible for £506,000 compared with the United Kingdom's £247,000. Palestine's demand for non-electrical machinery of various kinds seems likely to increase.

Though the principal trade before the war in motor vehicles and accessories was in the hands of the U.S.A., United Kingdom makers were able to compete to some extent. Private motoring in Palestine was stopped in the latter part of 1941 and there will probably be a large demand for new cars when their use is once more permitted. Commercial motor vehicles, omnibuses and tractors will also be in demand, though it is possible that some of the early post-war requirements will be met from any surplus military vehicles available in the Middle East.

Other goods that will probably be in greater demand than before the war (apart from the demand due to the need for re-creating stocks) will be rubber goods of all kinds; heavy chemicals, drugs and dyestuffs though, owing to local production, the demand for fertilisers will largely cease; mineral and cellulose paints; motor, motor cycle and cycle tyres and tubes; leather; hardware and tools; glass and chinaware of all kinds; hollow-ware and cutlery; toilet preparations, medical and surgical goods; beer, spirits and

tobacco ; timber and builders' sundries ; internal combustion engines for pumps for the purpose of irrigating the citrus groves ; containers and special wrapping papers, pulps and sugar for jam making ; and many other goods of various kinds required either for industrial or domestic use.

So far as public works are concerned, United Kingdom contracting firms should be well placed to take part in developments after the war. Information regarding such works is not at present available except in the case of the Lake Huleh reclamation scheme which was broached sometime before the war. It is understood that proposals in connection with this scheme are now being studied for the drainage of the Upper Jordan. About a quarter of the reclaimed land would be available for cultivation.

Whilst much of Palestine's present prosperity is due entirely to war-time conditions and there must be some post-war recession from the present level, Palestine has accumulated during the war considerable financial resources which should assist her in meeting the strain of returning to more normal conditions and enable her, in spite of the disappearance of profitable war contracts, to plan for orderly economic development for the future. The accumulation of large sterling credits is calculated also to improve generally the prospect for United Kingdom exporters of obtaining orders for which Palestine is in a position to make prompt payment.

APPENDIX

STATEMENT SHOWING THE VALUE OF THE PRINCIPAL GOODS IMPORTED INTO PALESTINE IN THE YEAR 1939, AND DISTINGUISHING AMOUNTS IMPORTED FROM (ORIGINATING IN) THE UNITED KINGDOM, U.S.A., GERMANY AND OTHER PRINCIPAL SUPPLYING COUNTRIES.

(NOTE : This statement is based on official statistics of Palestine).

Commodity	Total Imports	OF WHICH FROM		
		United Kingdom	U.S.A.	Germany Other principal supplying countries
FOOD, DRINK AND TOBACCO	3,756	£1,000 140	STERLING 342	9
of which :				
Wheat and wheat flour	788	—	185	— Syria 239 ; Canada 152 ; Australia 127.
Apples and pears, fresh	112	—	84	— Syria 16.
Alcoholic beverages	59	39	1	—
Cigarettes	36	30	3	—
Coal	102	88	—	—
Asphalt	100	2	—	—
Oilseeds and nuts	323	—	—	—
Asbestos manufactures	27	19	2	1
Earthenware, pottery, chinaware and porcelain	91	31	—	41
Glass and glassware	72	3	5	21
Cement	72	4	—	1
				Egypt 95. British India 206 ; Other British countries 41 ; China 28 ; Bulgaria 20. Belgium 13 ; Roumania 12. Syria 63.

IMPORTS INTO PALESTINE IN 1939—continued

APPENDIX

23

COMMODITY	Total imports	OF WHICH FROM			
		United Kingdom	U.S.A.	Germany	Other principal supplying countries
		£1,000	STERLING		
IRON AND STEEL AND MANUFACTURES THEREOF ..	1,912	709	453	420	Belgium 152.
of which :					
Bars, angles and rods ..	176	24	—	46	Belgium 74; Poland 14.
Tinned plates ..	119	47	19	50	
Other plates and sheets ..	106	12	—	27	Belgium 42.
Pipes, tubes and fittings ..	528	179	166	160	
Non-ferrous metals and manufactures thereof ..	173	47	10	55	Belgium 16.
Tools and implements ..	65	14	21	22	
Dental, optical, surgical, medical, etc., instruments ..	44	11	6	14	
ELECTRICAL MACHINERY AND APPARATUS ..	347	173	65	29	Netherlands 31.
of which :					
Radio apparatus and parts ..	59	2	24	3	Netherlands 22.
Insulated wire and cable ..	49	31	1	3	
Electric motors ..	28	27	—	—	
Machinery for light and power (excl. parts) ..	33	28	1	1	
Refrigerators and parts ..	30	1	28	1	
MACHINERY (EXCEPT ELECTRICAL) AND PARTS THEREOF ..	883	247	508	71	
of which :					
Sewing machines and parts ..	31	22	—	8	
Industrial and manufacturing machinery, not including parts ..	463	85	316	34	
Pumping machinery, not including parts ..	92	15	74	2	

IMPORTS INTO PALESTINE IN 1939—continued

Commodity	Total imports	Of which from				Other principal supplying countries
		United Kingdom	U.S.A.	Germany		
		£1,000 STERLING				
Wood and timber and manufactures thereof ..	1,136	7	9	9		Roumania 488; Poland 353; Yugoslavia 121.
COTTON YARNS AND MANUFACTURES ..	582	100	7	24		Japan 241; Italy 66; Czechoslovakia 30.
of which :						
Yarns and thread ..	89	20	3	2		British India 13; Italy 13.
Piece goods ..	390	49	—	8		Japan 216; Italy 47; Czechoslovakia 20.
WOOLLEN AND WORSTED YARNS AND MANUFACTURES ..	246	88	—	12		Italy 64; France 29.
of which :						
Yarns ..	50	11	—	3		France 19.
Tissues (except blankets) ..	181	70	—	9		Italy 58; France 10.
Silk and artificial silk yarns and manufactures ..	236	10	—	21		Syria 118; Italy 19; Switzerland 12.
Sacks and bags, empty ..	62	3	4	—		British India 54.
Apparel :						
Leather boots and shoes ..	88	16	—	—		Syria 68.
Wearing apparel (including socks and stockings) of various textile materials ..	353	104	23	34		Syria 132.

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IMPORTS INTO PALESTINE IN 1939—continued

APPENDIX

25

COMMODITY	Total imports	OF WHICH FROM		
		United Kingdom	U.S.A.	Germany Other principal supplying countries
		£1,000	STERLING	
CHEMICALS, DRUGS, DYES AND COLOURS	354	128	27	35 Belgium 41; France 39.
of which :				
Fertilisers	89	35	1	6 Belgium 22.
Sodium compounds	31	29	—	—
Drugs and medicines	94	23	7	13 France, 18; Switzerland 12.
Paints, colours, varnishes, lacquers and pigments	40	14	8	7
Mineral oils, crude and refined	796	15	69	10 Roumania 320; Iran 224; N.E.I. 145.
Leather and leather manufactures (except apparel)	151	9	11	7 Syria 77; Hungary 24
Paper and cardboard and manufactures thereof	296	19	17	56 Finland 70; Sweden 48; Norway 30.
VEHICLES, (INCLUDING SHIPS AND AIRCRAFT)	439	76	256	59 Sweden 24.
of which :				
Motor vehicles (including omnibuses, lorries and tractors) and chassis	260	16	179	38 Sweden 15.
Parts and accessories for motor vehicles	102	16	71	5 Sweden 9.
Ships and boats and parts thereof	24	12	—	6
Aeroplanes, private	13	11	1	—
RUBBER MANUFACTURES	158	57	43	8 Canada 28.
of which :				
Tyres and tubes	128	52	37	1 Canada 28.

IMPORTS INTO PALESTINE IN 1939—continued

COMMODITY	Total imports	OF WHICH FROM			
		United Kingdom	U.S.A.	Germany	Other principal supplying countries
		£1,000	STERLING		
Arms and ammunition ..	41	40	—	1	
Books and printed matter ..	54	12	2	18	Egypt 12.
Stationery ..	43	20	6	8	
Used personal effects ..	749	21	4	526	Czechoslovakia 93 ; Poland 57.
Total on imports covered by foregoing items ..	13,751	2,213	1,888	1,522	
Total imports all commodities (merchandise only)* ..	14,633	2,391	1,953	1,622	

*Not including Military and N.A.A.F.I. stores, nor imports from Transjordan which are not recorded in the Palestinian import returns, but which according to Transjordan records amounted in 1939 to £477,000 (mainly cereals).

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